

MILLARD'S REVIEW

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ANOTHER unfortunate incident occurred last week in the West Yangtze region, the American gunboat *Monocacy* having been fired on by an entrenched body of Chinese about 50 miles above the entrance to the Tungting Lake. An American seaman named O'Brien was killed, and another seaman named Donnelly was injured. The *Monocacy* which was proceeding towards Ichang from Hankow, returned immediately after the incident to the latter port, among other reasons for the purpose of burying the dead seaman with appropriate ceremony. The incident occurred at 9 o'clock on the morning of January 17. The Chinese rifle fire came without any warning from a body of several hundred men in trenches, and upwards of 100 bullets are stated to have struck the gunboat. The gunboat replied immediately and silenced the Chinese fire. The identity of the Chinese perpetrators is not known, and they might have been either a contingent from the Northern troops or from the Southern troops, or merely a band of outlaws. Unfortunately

Lieutenant Roberts, in command of the *Monocacy*, had no means of investigating this point from aboard the ship; he did not send an armed force on shore and, technically, he would have had no right to do so, although it has not been without precedent that the American Government has supported commanders who have strained their authority in case of emergency. Some 15 years ago an American gunboat appeared in one of the inland lakes of China, as near as we remember it was in this same region, whereupon the local Chinese authorities with some spirit addressed a letter to the commander, the gist of which was that the appearance of this gunboat tended to excite the unruly elements in the neighborhood and that they disclaimed any responsibility for what might happen unless the American gunboat left immediately. The American commander replied, rather tartly, that his ship was quite able to deal with such unruly characters and therefore the Chinese authorities need not worry themselves further about the matter. The authorities at Washington upheld the American commander in his attitude. It is not likely, in view of the present friendly relations between China and America, that this incident will be allowed to create any ill-feeling between the two Governments, but the American authorities will undoubtedly make strong representations to China concerning the matter.

SINCE writing the above paragraph we have come across the exact document in the case referred to. It will be noted that "Fighting Bob" Evans was, as usual, in the midst of things. The killing of foreigners on board ships in the upper reaches of the Yangtze is getting to be rather a frequent occurrence of late, and it is to be hoped that the last of such incidents has occurred. Otherwise it may be necessary to adopt measures breathing a spirit somewhat similar to that contained in the letter printed below:

Commander in Chief's Office,
United States Asiatic Fleet, Flagship Kentucky,
Chefoo, China, July 30, 1903.

To the Commanding Officer, U. S. S. *Villalobos*.
Sir:

1. I have to acknowledge receipt of your Nos. 177-03 and 13-03 of the 21st instant, relative to the movements of the U. S. S. *Villalobos*.

2. I have considered with much care paragraph 16 of the letter above referred to, relative to the contents of the letter read to you by our consul-general from the taotai at Kiukiang, reporting that a French gunboat had gone through Poyang Lake and up the Kan River to Wang Chai-tu, and thence by boat to Nanchang, which corresponds, as you state, with the movements of the *Villalobos* and is presumably intended to mean that vessel. Further, that the taotai insisted in this letter that such visits should be prohibited and that the foreign representatives had previously been warned not to send gunboats to the Poyang district, as the people thereabouts are "bad men."

3. Your visit with the *Villalobos* to Nanchang for the purpose of investigating the condition of and providing for the protection of the lives and property of Americans is approved. It is my desire that, so far as practicable, similar visits be paid to all Americans having property or other lawful interests in China, that I may be kept fully informed regarding all things concerning their welfare.

4. You will, if occasion offers, inform the taotai who wrote the letter protesting to the consul-general against your vessel that his objections will not receive consideration, and that if he thinks the people of the Poyang district are "bad men" such a reason is a greater cause for more frequent visits and more careful inspections of our interests by our armed vessels, and that these visits will be continued in the future as in the past. You are also authorized to inform the taotai, should occasion offer, and any other Chinese officials who may raise objections of this character that our gunboats are always amply provided for dealing with "bad men," and that if there should be any indication of a desire to pay other than proper respect to American life and property on the part of these men they will be dealt with immediately, and that the gunboats will, without further instructions, administer severe and lasting punishment.

5. It is expected that the taotai and other officials of China will suppress all disorder and give ample protection to the lives and property of Americans, but if these officials fail to do so the question of adequate and proper protection will be taken in hand by our gunboats. In order to satisfy ourselves that the various local officials are properly affording protection, our gunboats will continue to navigate the Poyang Lake and the various other inland waters of China wherever Americans may be, and where, by treaty with China, they are authorized to engage in business or reside for the purpose of spreading the gospel.

Very respectfully,
R. D. EVANS,
Rear-Admiral, U. S. Navy,
Commander in Chief United States Asiatic Fleet.

THE plague in North Shansi still continues, but there is no news of any alarming increase in the number of deaths. The conduct of preventive measures has been placed in the

hands of General Chiang, and a quarantine station has been established near Nankow Pass, where travellers are to be detained for five days in quarantine. The local officials in the North Shansi region have, it is gratifying to note, become more reasonable in their attitude, and have not persisted in any active opposition to plague preventive measures. One of the results of restricting communication on the Peking-Suiyuan Railway has been that an enormous cart traffic has arisen to handle the goods which were previously carried on the Railway, and the danger of infection from the carters is undoubtedly greater than it was through the Railway, owing to the fact that the carters, at this time of the year when the ground is frozen, are able to scatter in all directions and thus evade any effective measures of inspection. It was probably in view of this state of affairs, among others, that General Chiang, the Plague Commissioner, has agreed that railway freight-traffic between Kalgan and Peking might be resumed under certain conditions, although Dr. Chen and Dr. Jouvet strongly opposed the idea. The method of operating the Railway at present is a very sensible one. When a train reaches a spot just north of Nankow Pass a thoroughly sterilized and immune crew replaces the crew which had brought the train to that point, and conducts it to Peking, where the local officials must see to it that all cargo is laid out in the sun for several days. The indications at present are that the plague will probably be confined almost entirely to the region of its origin, and, so far, the mortality rate in the larger towns, such as Saratsi, Kueihuacheng, Fengchen and Tatungfu, has not been alarming.

REVISING China's Customs Tariff appears to be developing into a task, the difficulties of which are greater than anyone could have imagined. No sitting of the Commission has been held recently, the meeting called for January 23 not taking place on account of the inability of some of the delegates to put in an appearance. It will be noted that in our Press Comment Department there is a clipping from the Japanese paper at Dairen which makes certain suggestions, in themselves quite logical, which are backed up with the significant statement that "it is to be additionally hoped that Japan, whose commercial status with China has now taken the foremost place, should receive due recognition." We have already pointed out the great difficulties which the Commissioners will have in arriving at figures (stated in silver currency) that will represent specific values for the many foreign articles that will be coming into China during the coming five or ten years. On the one hand gold prices are abnormally high, owing to the increased cost of production in foreign countries due to the war, and on the

other hand the price of silver being abnormally high, the price of foreign articles stated in silver at the present time is abnormally low as compared with the gold price. The Japanese paper at Dairen, however, brings up another viewpoint, which is likely to form the basis of much more protracted discussions than any mere question of abnormal prices of cargo or silver could. The Japanese plea is that bulky export cargo, for example beans, raw cotton, etc., should be exempt from export duty. It is to be noted that it is just in these articles that Japan is China's best customer. If this policy were to be adopted it would mean that additional duties would have to be placed on other cargo, probably on imports, and here again there will undoubtedly be a contest on the point as to which articles are to pay a higher duty in order that others—for instance raw materials imported into China with a view to their being used in manufacturing in China—may come in on preferential terms.

HAVING noted a quotation from *Houseboat Days in China* in last week's issue of the REVIEW, one of our subscribers makes a suggestion, which we have much pleasure in complying with, that we print the paragraph below, dealing with the philosophic attitude of the Chinese people:

The humble philosophic attitude towards this amazing world through which we pass so quickly, that attitude to which only the Greeks, as a race, have fully attained, would appear to be henceforth hopeless; nevertheless, if East and West are ever to meet, if the scurrying masses and turmoil of white men and yellow are ever to come to a good understanding, the secret of that philosophic attitude must be discovered. And the yellow man is far nearer to it than we, for all our many inventions. With us, the mysteries of the Universe and the eternal questions of our being, the ends and purposes of this brief flitting of men across the painted veil, all the things that matter, are drowned and lost in the Babel of voices that goes up, day and night, from the great market-places which, God help us, we call civilization. On one side stand the politicians, lawyers, traders, pressmen, and quacks, shouting to half-deafened mobs new tricks to gain a point in the struggle for life, the struggle wherein we all forget to live. On the other, the clamor of the sects, shouting louder still to weary stragglers from the crowd their sure systems of salvation and panaceas against predestined evil, tearing each other to pieces meanwhile for the love of strange Deities of their own fashioning. Everywhere, men, drawn by the Babel, are leaving the quiet fields, the mountain pastures, and the paths of the sea; the roar of the Press grows fiercer, the unceasing whirr and clicking of machines assail the stars, and for the glory of mammon man goes willingly to easeful death, unconscious of all the wonder and beauty of life. This is the chief result of that material progress which we so fervently commend to Oriental peoples, and which they, having preserved something in their lives of dignity and wisdom, resist with all the weight of passive inertia.

DR. Sakuzo Yoshino, Professor of International Law and Politics in the Imperial University of Tokio, in the course of a discussion on Japanese economic policy in China printed in a prominent Japanese journal, urges a policy of "keeping out foreigners" in the following words:

"In our new policy toward China, the first thing we should aim at is to break down the spheres of monopolistic interest of all foreign countries throughout China. As to the special privileges that are already established by these countries, it may not be advisable to oppose them, but we should vigorously protest against all ambiguous claims of this kind and guard against any future establishment of such spheres of interest. In this connection, I have some doubt about the wisdom of Japan's establishing her special interest in Manchuria. The establishment of this interest was of course made necessary from the consideration of her national defense. Our justification lies in the peculiar geographical situation in which this country is placed in regard to this particular region. But this justification, imperative as it may have been to us, may not be taken by other countries as a legitimate exception. The situation is certainly trying to us, for it certainly appears a ridiculous violation of justice for us to protest against the spheres of interest of other countries while keeping our own sphere in Manchuria. This point seems to have been long a burden on the minds of our statesmen, whose thorough grasp of the situation has been evidenced in securing the Ishii-Lansing agreement, which is as wise a solution of the dilemma as can be attained. In this agreement America has recognized unequivocally that Japan's interest in Manchuria, due to her geographical propinquity, is of a special kind and that the principles of territorial integrity and equal opportunity throughout the rest of China shall be defended by both countries. It is certainly a highly successful piece of diplomatic work for this country, and we ought to be grateful to the American government authorities who so generously appreciated our situation in Manchuria and concurred with our own view thereon. I sincerely wish that both our Government and people will take this memorable agreement with perfect honesty and faithfully follow the plan for our policy toward China suggested in this agreement.

"The exclusion and breaking down of the monopolistic interests of foreign countries in China is, however, only the first step in the realization of our economic policy in China. The first great barrier is torn down, but what stretches out before us now is a field of free competition. Unless we can bid successfully in this competition against England, France and America, we will not yet be able to induce China to co-operate with us heartily in the economic development of her vast territory."

What the Professor's argument comes to is this: We Japanese must do all in our power to keep foreigners in China from establishing any monopolistic interest, and that includes us; but, our position in Manchuria is exceptional, America having "generously appreciated" the fact that we have "special interests" in that region. Therefore, all foreign interests in China (except, of course Japanese) are to be battered down.

How China is Developing Leaders at Tsing Hua College

BY J. B. POWELL

RECENTLY in Shanghai a Chinese professor at one of the mission colleges in the Settlement was returning home to his rooms at the college late in the evening and as he got out of the ricksha in which he was riding, he noticed that the man who was pulling it was unusually old and feeble for this kind of work. Feeling rather sorry for the old man for being compelled to do this kind of work—about the lowest and most difficult form of labor a Chinese coolie can engage in—the young professor spoke to the old man. He was surprised to have him answer in perfect Chinese that gave a hint of better days. After conversing for several minutes it developed that the aged one who was performing this menial labor was a Chinese scholar and writer of the olden days and systems that are now no more in New China. He explained to the sympathetic professor—a returned student with a modern education gained at a foreign university—that he had dropped lower and lower until he was forced, because of the necessities of poverty and the impractical nature of his education, to perform the work that in most countries is done by horses, mules, oxen,—or gasoline. In other words he was pulling a vehicle in which a fellow countryman with a modern education was riding.

To complete the story, the young Chinese professor took the old man into his lodgings for the night and the following day obtained for him a position as teacher in the school maintained for the children of rickshamen by the Mission to the Rickshamen in the Settlement.

What artist wants a better subject for a cartoon showing the transition from Old to New in China? And the old system of education in China was only officially abolished on September 3, 1905.

There is a large room in one of the main buildings of the Government Tsing Hua College at Peking that has a seating capacity of about 500 students. In this room during the present week (January 14-20) the visitor will find from early morning until late afternoon classes of Chinese young men busily engaged in taking their semi-annual examinations—examinations that are a necessary preliminary to the completion of a course that ends with a trip to America and a course ranging from four to six years in an American University.

It is needless to state that considerable seriousness attaches to this matter of examinations and it is an important point for foreigners to know: that out of an annual enrollment now

closely approaching seven hundred students, less than ten percent fail or are disqualified. What American or European university or college can point to such a record? And in what subjects are these young men at Tsing Hua College being examined this week? Arithmetic, algebra, chemistry, hygiene, physiology, English literature, modern languages, manual training, psychology, international law, physical training, ancient, mediaeval and modern history, economics, mechanical drawing, geometry, physics, sociology, biology, literary criticism and history of ethics.

Certainly these courses sound modern enough and represent quite an advance from the old system of education which consisted entirely of a study of Chinese classical literature—a mere matter of committing to memory page after page of the old Classics—which when accomplished did practically nothing to fit the individual for service to himself, his fellowmen or his country. Certainly not in a modern world that has gone so far in a "practical" way that all the educated forces of nature and inventive genius are being turned toward destructive ends. Perhaps it was the tendency in this direction that China scented from afar, that finally caused China to throw over her antiquated methods of education.

In other words in an "educated" world, be not uneducated is now China's motto!

It is the purpose of this article to deal especially with modern education in China from the standpoint of the work being done at Tsing Hua College for two reasons: First, because this college was established in 1911 with funds remitted by America to China from America's share of the Boxer Indemnity, with the single purpose in view of preparing China's young men for entrance to schools of higher education in America; and second, because Tsing Hua College recently has come in for considerable publicity,

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, MEX. TEN DOLLARS IN ADVANCE, POSTAGE INCLUDED, IN CHINA AND THE FAR EAST. IN THE UNITED STATES FIVE DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND CLASS MATTER IN THE AMERICAN, CHINESE, BRITISH AND JAPANESE POST OFFICES AT SHANGHAI IN MAY, 1917

much of it adverse, which finally resulted in the resignation of Dr. Ye-Tsung Tsur, who has been president of the school since 1913, and who has been with the school since its foundation and is largely responsible for its present success.

The point should be made here that Tsing Hua College is not essentially different from the dozens of colleges maintained in China by the various mission boards and by the Chinese Government. It is purely a Government School and is not a "religious" school in the sense of St. John's University, Shanghai Baptist College or other mission schools of high standing in various parts of China. Its work compares favorably with the instruction at Hongkong University maintained by British interests for the education of Chinese young men, or the Siccawei institution at Shanghai maintained by the French Fathers. In America its work compares favorably with that of the average small college or in a limited way with the academic departments of a state university. As to the religious influences surrounding the students, the following is quoted from the college catalogue, or *Bulletin of Information*:

"There is the Young Men's Christian Association which holds a religious service every Sunday morning throughout the year, and under its auspices conducts Bible study circles,—and there is a newly-organized Confucian Society which is semi-religious in nature. It aims at reviving a dynamic interest in the great Sage and at putting his teachings into practice."

Since the school was established purely as a preparatory school, it gives no degrees. In place of this it issues a certificate that entitles those who pass the rigid examinations, to junior or third year standing in such American institutions as Yale, Columbia, Wisconsin, California, Illinois, Missouri, Cornell or similar institutions. Plans are now being discussed whereby the scope of the school may be so enlarged and extended that it might be possible to grant the collegiate A. B. degree, providing the proper governmental charter for this purpose can be obtained. In this event, all students who would go to America to pursue courses in professional schools would be ranked as "graduate" students. This would enlarge the attendance at the school for it would admit students other than those who desire to continue their professional training abroad under the arrangement whereby fifty students each year are entitled to go to American universities at the expense of the Chinese Government, the funds for which expense are taken from that part of the Boxer Indemnity that America in 1908 agreed to remit to China.

It should be stated here that the inspiration that part of this money remitted by America to China, should be used for educational purposes, came from China, for when America decided to return to China the larger part of the Boxer

Indemnity (money that the Powers forced China to pay because of damages suffered by foreigners in China during the Boxer uprising in 1900) there were no conditions whatever imposed on China as to what she should do with the money returned in this manner. It is therefore very much to China's credit that on July 14, 1908, following receipt of the notification that the money was to be returned, the Chinese Government on the same date sent a despatch to the American Legation in Peking which stated: "From the year when the return of the indemnity begins, one hundred students shall be sent to America every year for four years, so that four hundred may be in America by the fourth year. From the fifth year and throughout the period of the indemnity payments (approximately forty years) a minimum of fifty students shall be sent each year. On October 28, 1908, the Chinese Government turned over to the American Legation in Peking the regulations providing for the sending of the students to America and in addition a provision that the Chinese Government should be responsible for the establishment of a proper training school in Peking for the purpose of training these students for entrance to American colleges and universities.

One of the interesting provisions of the regulations is of special interest in that it states that: "Eighty per cent of the students sent should specialize in industrial arts, agriculture, mechanical engineering, mining, physics, and chemistry, railway engineering, architecture, banking, railway administration, and similar branches, and twenty per cent should specialize in law and the science of government." In order to be sent to America to specialize in the foregoing subjects, the students (according to the provisions) must possess the following qualifications: general intelligence, good character, sound health, respectable social position, suitable age, knowledge of Chinese literature and history, knowledge of Chinese sufficient to write an essay; knowledge of English and general subjects sufficient to enable him to enter an American university or technical school.

Since the first students under the provisions of this agreement have only in the last two or three years been returning to China for their life work, it is impossible to estimate the value to China of this unique method of educating the future leaders of the Republic in the colleges and universities of the sister republic of America on the other side of the Pacific. But some idea of the future value may be gained from the history of other students who went on their own accounts to American and European universities for their education in earlier days. A census recently made in Peking among the various governmental department officers, experts and clerks, showed that 23.2 per cent of all individuals now in these branches of service are returned students. In

Shanghai, the chief commercial port of China, it is difficult to find a large business enterprise, either foreign or purely Chinese, that does not contain in responsible positions the graduates either of American, or European schools abroad, or of mission schools maintained in China by the various nationals.

Now for something about Tsing Hua College itself. It is located about twelve miles from the Legation quarter of Peking and about six miles from the imposing North-West Gate in the old city wall. The road to the college is the one traversed by visitors to the famous New Summer Palace and the ruins of the Old Summer Palace, both famous show-places of the world. The road itself is interesting, for part of it consists of great granite slabs more than a foot thick resting on beds of crushed stone and cement that are practically as sound today as when they were put down by some Emperor of generations past. These old worn granite slabs could tell an eloquent story of processions of Oriental splendor when the ruler returned from his wars or hunts, or perhaps when he fled before the conqueror and beginner of a new dynasty.

The grounds occupied by the colleges were formerly the home of a Manchu Prince, Tuan by name. It was known as Tsing Hua Yuen, or Bright Beautiful Garden. After the revolution the grounds were donated by the Prince to the Government for the use of the school. With the buildings they are now said to be valued at more than a million gold dollars. In constructing the buildings the attempt has been made to preserve as much as possible the original character of the Oriental palace and gardens. The newest buildings on the campus are thoroughly modern and fireproof and like similar buildings devoted to educational purposes in America and Europe are built to last. With buildings, walls, and monuments almost within a stone's throw that have stood for centuries, certainly the modern architect has an opportunity to show whether modern building science can equal the hand labor and crude implements of earlier days.

The present enrollment in the school is about 700 and is composed of students who have come from practically every part of the country. The following figures showing the enrollment for 1916-17 give an idea of the national character of the school:

HIGH SCHOOL

Anhui	8
Chekiang.....	30
Chihli.....	21
District of Peking.....	2
Fengtien.....	1
Fukien.....	19
Honan.....	7
Hupeh.....	13

Kiangsi	17
Kiangsu.....	43
Kuangsi	1
Kuangtung.....	36
Shansi	6
Shantung.....	4
Szechuen.....	11
Yunnan.....	3

Total.....233

MIDDLE SCHOOL

Anhui	17
Chekiang.....	24
Chihli	17
Fukien.....	16
Honan.....	19
Hunan.....	13
Kansu	5
Kiangsi	27
Kiangsu.....	47
Kuangsi	3
Kuangtung.....	38
Kueichow.....	6
Shansi	10
Shantung.....	16
Shensi	3
Sinkiang.....	4
Szechuen.....	39
Yunnan.....	1

Total.....330

Number of Provinces represented in the 1916-17 enrollment, 21. Total number of students represented in 1916-17, 563. Total number of students at college in 1917-18, 660.

Students for the high school are admitted by competitive examinations held in Peking and Shanghai. Students in the lowest class of the middle school are sent to the college from the various provinces in the proportion that each province pays toward the Boxer indemnity. Examinations for this purpose are conducted in the various provinces by the commissioners of education in accordance with the requirements of the school.

The faculty of the school consists of approximately sixty individuals, men and women. Of the sixty, seventeen are Americans and one is a British subject. Of the Chinese members of the faculty, eight or ten come originally from St. John's University at Shanghai; about the same number from schools in Tientsin, and the rest are graduates of the various mission schools in China. Practically all have degrees from American, British and various universities of Continental Europe. The acting president of the school is Mr. Guo-Tsai Chao, who has been vice president for several years. He is a graduate of the University of Wisconsin and holds two degrees from that institution. In 1912-13 he was assistant editor of the *Republican Advocate* of Shanghai. Mr. J. Wong-Quincey, the dean of the college, is a graduate of the University of London of 1913 and was publisher in 1914 of the *Chinese Review* of London. He is a mem-

ber of the British Institute of Journalists. Dr. Ye-Tsung Tsur, former president of the school who was forced to resign "on account of the activities of persons who either wanted his job or wanted to influence the college," to use the words of a well-informed Chinese of Peking, is a graduate first of St. John's at Shanghai and later of Yale and Wisconsin.

Now something about the present trouble that the college has been having that resulted in the resignation of Dr. Tsur: About all that is known of the charges must be learned from newspaper reports that appeared simultaneously in the vernacular papers of Peking and Shanghai. These charges come under three general heads: (1.) That Dr. Tsur, himself a graduate of St. John's University, has been showing favoritism by appointing too many St. John's men to positions in his faculty. (2.) He has been spending too much money on new buildings and grounds, "when much cheaper ones would have been good enough for China." (3.) That the school is too "American" in character. The charges were brought against Dr. Tsur while he was in America arranging for the entrance of the last delegation of students in the various colleges last fall.

Fearing that the charges would injure the school, Dr. Tsur resigned, and to date there has been no public answer to them. In the last few days the report has been circulated in Peking that the Board, after investigation, has found all the charges to be groundless.

Americans in China are not interested in the internal management of Tsing Hua College save to the extent that they have a natural desire that the money which their Government returned to China, should be properly expended to the end that students sent to American schools should be properly trained. Otherwise American universities will be handicapped in their efforts to provide modern educations for China's young men. For this reason they have a justifiable curiosity as to the reasons for the present difficulties through which the school is going. To get at the bottom of this trouble, the writer has interviewed some dozens of persons in Peking, both Americans, Britishers and Chinese, both inside the college and outside. Now to set the foundation aright, I desire to repeat, that barring their natural friendship and esteem for Dr. Tsur, Americans are not interested in whether he is president or whether it is someone else. They do insist, however, that since the school is primarily a preparatory school to fit Chinese young men for entrance to American universities that the president should be a man with a more or less intimate knowledge of American educational methods, traditions and ideals. And with China's age-old veneration for the work of the scholar, we also know that the enlightened minds of this country desire to

see their young men fitted with the right kind of an education that will be of benefit to the country upon their return from abroad.

This is the reason why the American Minister is said to have indicated his disapproval when he was sounded out as to the appointment of a Japanese-educated Chinese who was not able to speak the English language, to the position vacated by Dr. Tsur. Since the man in question was not familiar with American or European educational methods, ideals and traditions, he could not have been expected to carry on the work of a school that was designed to prepare students for entrance to American schools. For this reason, his name was withdrawn and it is now said that a Chinese graduate of Yale University is being considered for the place. It is also understood that the Chinese Government has given assurances that the work of the school will be carried on at its present high standards even though America is a party to the agreement of the Powers regarding the remission of the Boxer indemnity for the next five years, and possibly for all time, if the Allied countries agree to China's wishes in this connection. It is also stated in Peking that Sir John Jordan, the British Minister, because of his interest in America and American institutions added his influence to that of the American Minister, but of this report there is no foundation except gossip.

The reported attempt to appoint a Japanese-educated Chinese to the position of president of a school supported by funds returned to China by America, has brought about some interesting discussions in Peking as to Japanese influence. There is, of course, no proof of the truth of the rumors and, in the opinion of the writer, they can have no foundation in truth owing to the present publicly announced policies of Japan not to meddle in the interior affairs of China. The reports that Japan had an unseen hand in bringing the charges against Dr. Tsur, probably had their foundation in the fact that in the last four months more than two hundred official and unofficial Japanese, including Viscount Hioki, have visited the college and rather minutely inspected its various appointments. This rather unusual number of Japanese visitors in so short a time, together with the reported attempt to appoint a Japanese-educated Chinese to the presidency of the school, is probably the foundation for the rumors that Japan would like to undermine this school because of its so-called "American" influence in China.

In the opinion of the writer, these rumors are without foundation. Rather would we attribute the large number of Japanese visitors to the college to the fact that the Japanese are in all probability getting ready, because of the growing trade and common interests of the two countries to begin a plan of education in China similar to

that which other nationals interested in China's welfare have been conducting for the last half century. To date Japan has but one school in China and that is a school in Shanghai where Japanese students are trained in the Chinese language and customs for commercial enterprise in China. That Japan feels that she should now take an interest in educational matters in China was recently indicated in an editorial in the Japanese newspaper, *Fiji*, which urged Japan to establish schools and hospitals in China as a method of "increasing the friendship between the two countries. All these examples of American and other Western nations, should be emulated if Japan is to win the hearts of the Chinese," we are told by the *Fiji*.

There is no question but that educational and philanthropic endeavor may form a large part of Japanese enterprise in China in the future, especially in view of the new Lansing-Ishii Agreement, which now leaves Japan free for such enterprises, through America having joined her in an *open and public document* guaranteeing the open door and the territorial integrity of China. In the past Japan has not had the opportunity to show China that her interests were altogether altruistic, because she has always lived in fear that some country would gain control of China and thus endanger Japan herself.

In China's behalf, we may say in all confidence, that she is perfectly willing and agreeable toward the educational process, on the part of all nationals, so long as it is *real education* and not political propaganda. If there is a doubter, let him visit Tsing Hua College on any school day. Let him watch the Boy Scouts brigade with its bright and earnest Chinese boys performing their "scout duties and tasks." Let him watch thirty-five tennis and basketball courts all going at the same time. Let him watch the companies of students, taking military drill and learning leadership, discipline and physical uprightness at the same time. Let him glance into the modern wash rooms and see the trim rows of shower baths and wash basins each complete with its tube of "Colgate's." Let him attend the weekly sessions of the literary societies and listen to the debates and essays. Let him get an introduction to such organizations as the Photographic Club, the Outing Club, the Science Club, the Dramatic Club, the Glee Club, and the Reading Circles. Then if he still remains a doubter, he might send for a copy of the school magazine issued by the students and published alternately in Chinese and English. Then on next Arbor Day he might go along with the students and their teachers to the nearby hills and help them plant 11,000 trees on those vacant hillsides, similar to what was done on Arbor Day last year. He might examine the

organization maintained by the college to assist the returned students in finding congenial occupations in which they may serve themselves and their country on their return from abroad.

But what's the use of enumerating these things, when everybody knows what a modern school does for a boy in other parts of the world, and everybody also knows that a Chinese boy is no different from any other kind of boy when he is given half a chance?

The Financial Condition of the Republic of China

BY SINGLOH HSU

Secretary, Ministry of Finance, Peking

IT is a time-worn, but nevertheless true, saying of Wilson that Finance is not mere arithmetic; Finance is a great policy. Politics and finance can never be separated. If we wish to understand the finance of a country, we must not lose sight of its political conditions. When we study the budget of China, we are at once struck by the preponderance of the military expenditure. But this is only a phenomenon. Its explanation—and that for many others as well—lies in the existence of a cleavage between the North and South. Therefore, in surveying the financial conditions of the past year, we should keep this fact unceasingly in view.

Soon after Dr. Chen Chin-tao's accession to the Ministry of Finance in 1916, he made known his financial policy. In the memorandum embodying it, he first laid emphasis on the importance of recovering the financial status quo ante and then outlined his programme of reform. In order to recover the status quo he proposed:—

- (1) To adopt a policy of retrenchment with regard to all expenditures, whether military or civil;
- (2) To maintain the existing system of taxation;
- (3) To ask the provinces to continue their contributions to the Central Government on the old basis; and
- (4) To raise a foreign loan of \$100,000,000, to be used in the following manner:—
 - (a) \$25,000,000 for resumption of specie payment by the Banks of China and of Communications;
 - (b) \$20,000,000 for disbandment of troops;
 - (c) \$5,000,000 for reorganisation purposes of several provinces;
 - (d) \$4,000,000 for purchase of brass "cash" and minting of new coins;
 - (e) \$6,000,000 for improvement of means of communication; and
 - (f) \$4,000,000 for administrative purposes.

As to Dr. Chen's programme of reform it was outlined under the following headings;—

- (1) Reorganisation of the taxation system;
- (2) Reform of the Budget system;
- (3) Unification of the Treasury system;
- (4) Reforms in connection with Public Loans;
- (5) Currency Reform;

(6) Realisation of State Control of the Sale of Tobacco and Wine;

(7) Reform of revenue-collecting agencies;

(8) Reform of central Banks; and several so-called "auxiliary" reforms, which were:—

(a) Creation of a service for the Inspection of Revenue collection;

(b) State purchase of brass "cash";

(c) Reform in the method of auditing; and

(d) Codification of laws pertaining to finance.

Thus, with the advent of 1917, we found Dr. Chen Chin-tao already six months in the Ministry of Finance, long enough to see whether he was able to carry out his programme full of good promises. But circumstances did not perhaps allow him to accomplish much. He was not able to realise his scheme of restoring the status quo, to say nothing of his various reforms. The policy of retrenchment was found impossible. Expenditures increased instead of being curtailed. Money was required to disband troops and for other purposes. It was said that \$800,000 was remitted to the Military Council of the South, besides \$1,000,000 carried to Canton by the new civil governor of that province. Provincial contributions did not arrive as before.

Even the plan of borrowing \$100,000,000 failed to materialise. Two loans were concluded, besides some advances from the Deutsch-Asiatische Bank. The first loan was Yen 5,000,000 from the Japanese corporation "Sin-Yah Company," secured on certain mining rights in the provinces of Hunan and Anhwei. This loan brought forth such a flood of protests that an alternative security in the form of brass "cash" melting profits had to be offered. The second loan was \$5,000,000 supplied by the Continental and Commercial Trust Savings Bank of Chicago, secured on the tobacco and wine revenue.

The proceeds of such loans and advances, which did not amount to one-fifth of the proposed \$100,000,000 loan, were almost entirely spent in the resumption of specie payment by the Bank of China on October, 26th, 1916. It is now generally admitted that, although the intention of such a step may be laudable, it was done when metallic reserve was not sufficient even for partial resumption of specie payment, so that its subsequent collapse was inevitable.

A Financial Conference was called, composed of all the more important members of the Ministry of Finance, delegates of the Civil Governors, and Provincial Financial Commissioners or their delegates. It held its sessions from March 1st to the 17th. Its object, as stated in the official preamble, was to discuss the means of developing national wealth, abolishing bad taxes, and in short, improving the financial conditions of the country. Many important questions were in fact discussed and passed, such as, the centralisation of the Treasury system, reform of

the provincial banks, preparation of Financial Accounts for the 4th fiscal year; but very little tangible result, was achieved. It, however, pointed out a way that future Ministers of Finance may pursue in securing the cooperation of the central and provincial authorities in their endeavor to devise measures of financial reform.

The budget for the 5th fiscal Year. (July 1st, 1916 – June 30th, 1917) was brought before the Parliament on February 21st and its examination did not end till April 23rd. The Government was alive to the futility of such a belated budget, but thought it would serve as a model for the following budget. We give below a summary of the budget, which is styled the new 5th year budget, as distinguished from that of the same name prepared under the late President Yuan Shih-kai, who, in 1915 altered the fiscal year system to make it coincide with the calendar year.

REVENUE.	*New 5th Year July 1916- June 1917.	Old 5th Year Jan. 1916- Dec. 1916.	3rd Year July 1914- June 1915.	2nd Year July 1913- June 1914.
I.—Ordinary.	\$	\$	\$	\$
1. Land Tax.....	90,105,784	95,972,818	76,859,060	79,180,723
2. Customs Revenue	73,056,663	71,320,970	78,773,341	66,970,003
3. Salt Revenue....	96,767,010	84,771,365	84,879,873	77,401,265
4. Tax on Com- modities, includ- ing Likin	42,719,194	40,271,368	34,175,656	36,876,823
5. Regular and Mis- cellaneous Taxes	34,768,432	32,341,704	28,000,424	33,725,227
6. Regular and Mis- cellaneous Duties	5,448,686	14,067,574	4,947,281	3,173,530
7. Income from Gov- ernment Invest- ment.....	2,083,401	2,621,261	4,063,483	7,849,579
8. Miscellaneous In- come of Pro- vinces.....	5,101,531	6,927,694	5,133,694	12,723,427
9. Income of Central Administration ...	1,374,648	1,635,464	4,620,785	.....
10. Income directly received by Cen- tral Government.	36,584,311	76,306,927	29,611,340	.....
	388,009,660	426,237,145	351,064,812	317,900,646

*No budget for the 6th fiscal year (July 1st 1917 and June 30th 1918) was prepared and that for the 5th (new) was proclaimed by a Ministerial order to serve as such.

II—Extraordinary				
1. Land Tax.....	5,751,464	1,580,695	2,368,749	3,222,889
2. Customs Revenue	706,885	847,359	629,716	1,254,280
3. Tax on Com- modities	21,025	18,716	10,391	6,054
4. Regular and Mis- cellaneous Duties	3,911,410	4,496,333	.....	132,829
5. Income from Gov- ernment Invest- ment	8,351	16,703	364,021	634,093
6. Miscellaneous In- come of Provinces	91,610	338,253	1,575,024	10,115,868
7. Income of Central Administration ..	2,248,438	1,359,698	1,406,077	230,308 (Contributions)
8. Income directly received by Cen- tral Government.	23,510,969	17,051,808	.....	164,269 (Salt Revenue)
9. Miscellaneous In- come of Central Government	8,100,000	.....	.....	.....
10. Loans	24,291,468	20,000,000	25,082,398	.....
11. Advances from Banks	16,187,305	.....	.....	223,370,000
	84,828,924	45,709,565	31,436,376	239,130,590
Total Revenue..	472,838,584	471,946,710	382,501,188	557,031,236

EXPENDITURES.

I.—Ordinary.

1. Foreign Affairs...	4,446,548	3,276,677	4,229,529	3,293,115
2. Interior.....	42,570,109	49,653,982	42,672,290	39,618,149
3. Finance.....	61,792,970	53,531,625	23,383,898	210,345,180
			29,960,079	
4. War	156,606,047	135,813,986	134,061,795	136,864,494
5. Marine	7,304,135	17,101,779	4,802,560	7,665,881
6. Justice	9,337,156	7,665,772	7,258,459	14,671,825
7. Education	4,433,893	12,611,583	3,276,904	5,207,215
8. Agriculture and Commerce	2,734,790	3,762,244	2,276,537	5,083,386
9. Communications..	1,533,606	1,577,408	1,935,560	934,877
10. Mongolian and Tibetan Affairs...	1,044,216	947,230	1,065,344	.....
	291,803,470	285,942,286	254,922,955	423,684,122

I.—Extraordinary.

1. Foreign Affairs...	1,846,786	826,141	.....	1,013,223
2. Interior.....	3,117,770	2,105,864	.....	4,263,860
3. Finance	162,397,633	175,302,789	98,564,793	181,568,614
4. War	10,711,333	6,438,727	3,526,282	26,910,518
5. Marine	847,434	102,758	10,000	1,307,014
6. Justice.....	28,610	45,572	.....	370,312
7. Education	594,943	225,724	.....	1,701,635
8. Agriculture and Commerce	1,279,496	376,792	.....	959,735
9. Communications..	116,833	112,783	.....	457,843
10. Mongolian and Tibetan Affairs..	94,276	40,000	.....	.....

181,035,114 185,577,150 102,101,075 218,552,756
Total Expenditures. 472,838,584 471,519,436 357,024,030 642,236,874

The above figures are only estimates, but they serve as a guide to the present conditions. The salt revenue leads in the list of sources of revenue while the land tax follows quite closely. The Customs revenue shows a falling off as compared with the 3rd year, but if we take into consideration the existence of the Great War, it must be regarded as very satisfactory. The item "income directly received by the Central Government" is rather misleading and requires elucidation. It was made up in the following manner:—

(1) Stamp Duty	\$5,864,400
(2) Tobacco and Wine License Duty	2,012,852
(3) Tobacco and Wine tax	14,350,456
(4) Income from Tobacco and Wine Sale.	12,134,986
(5) Mining Duty	2,221,617
	\$36,584,311

Customs and Salt Revenues, though not included under this heading, are also income directly received by the Central Government.

Provincial contributions do not figure in the budget as such because they are the quota the provinces contribute to the Central Government according to some arrangement, after having met their own expenditures from their total receipts, and they are so to speak dispersed throughout the various items of the budget. They are similar in nature to the German matricular-beitrage.

As regards expenditures, the Ministry of Finance, with its total expenditures ordinary and extraordinary of \$224,190,603, occupied the first place. But when the money provided for the amortisation and interest payment of loans which was \$142,244,888 was subtracted, giving a residue of \$81,945,715, that place was easily

yielded to the Ministry of War, which took up \$167,317,380. In fact, the percentage distribution of the expenditures has been calculated as follows:—

(1) Ministry of War	35 per cent.
(2) " " Finance, with provisions for loans, ...	47 per cent.
Ministry of Finance without provi- sions for loans, ...	17 per cent.
Ministry of Finance without provi- sions for loans and also exclusive of allowances to the Imperial Manchu House	9 per cent.
(3) Ministry of Interior	7 "
(4) " " Justice	2 "
(5) " " Education	1 "
(6) " " Marine	1 "
(7) " " Agriculture and Commerce	1 per cent.
(8) Ministry of Foreign Affairs.....	1 per cent.
(9) " " Communica- tions less than.....	1 per cent.
(10) " " Board of Mongolian and Thibetan Affairs less than	1 per cent.

The above figure for the Ministry of Communications does not include the receipts and expenditures of the railway lines, postal and telegraphic services, which have a special budget of their own, but only represents the expenses of the Ministry proper and educational institutions affiliated thereto.

Not long after the fall of Dr. Chen Chin-tao in April, brought about by the notorious brass "cash" smelting case, the country was on the verge of a civil war, heralded first by the question of China's declaration of war against Germany, and then developed through a Cabinet crisis into a constitutional issue. The kaleidoscopic movement of events brought us to the attempted Imperial Restoration by General Chang Hsun on July 1st and its collapse on the 12th.

In the post-Restoration Tuan cabinet, Mr. Liang Chi-chao became the Minister of Finance. The legacy he had inherited was quite burdensome. Although we have no record of the actual cost of the Imperial Restoration to the State, it has been estimated that, among others, (1) Direct expenses of the Republican Expeditionary Army against Chang Hsun amounted to \$1,000,000, (2) The disbandment of Chang Hsun's army and others accounted for about \$200,000; and (3) Disbandment of temporarily increased troops, etc., required about \$1,000,000,—thus bringing these three items alone to about \$2,200,000.

It is also said that the Restoration Minister of Finance caused a fresh issue of copper notes to the value of \$2,000,000, which had to be recalled in order to prevent a precipitated fall in the value of such notes.

Thus, in addition to an empty treasury, Mr. Liang Chi-chao found himself confronted with extraordinary requirements of some five

million dollars. In trying to bring the two ends to meet, or at least as nearly as possible, Mr. Liang Chi-chao decided to adopt a stringent policy of retrenchment. By adjusting expenditures on a basis of realizable revenue, he formulated an Estimate for ten months, viz: September 1917 to June 1918, for the Central Government. He reckoned the "matricular" contributions of the provinces at \$6,000,000, and other receipts of the Central Government for the same period at about \$70,000,000. The expenditures were divided into three groups:—

(1) Military expenses	\$49,000,000
(2) Administrative expenses	20,000,000
(3) Other expenses	6,000,000
	\$75,000,000

But the equilibrium established in this estimate was not very stable and it did not require much exterior force to upset it. The Government's determination to use force in settling the dispute between the North and South had undoubtedly a most disturbing effect. Although we have no knowledge of the extraordinary expenditures thus incurred it may be a conservative estimate to put it at \$3,000,000. The relief of the flood sufferers of Tientsin and other districts again demands more money than was thought at first, and borrowing had to be resorted to for meeting such unexpected requirements.

A loan of Yen 5,000,000 was contracted on November 24th with the Sino-Japanese Industrial Development Company. It was secured on Shantung and Shansi and was to run for one year. The long deferred Grand Canal Loan was also signed in November last by Mr. Hsiung Hsi-ling, representing the Chinese Government, and Mr. Carey on behalf of the American International Corporation. The amount of the loan was \$6,000,000 gold, to be supplied conjointly by the International Corporation for \$3,500,000 and the Industrial Bank of Japan for \$2,500,000. The work of irrigation of the canal, once begun, will afford relief to thousands of flood sufferers.

The most reliable source of income of the Central Government has been, as before, the salt revenue surplus released by the Group Bankers after meeting the interest charge of the Reorganisation Loan and other charges. The amounts of salt revenue surplus released each month are as follows:—

January	\$4,500,000
February	3,600,000
March	5,000,000
April	5,000,000
May	4,400,000
June	3,200,000 approx.
July	1,400,000
August	3,400,000
September	2,450,000
October	6,500,000
November	6,900,000 approx.
Total	
	\$46,350,000 approx.

In the course of 1917, Customs revenue surplus of Tls. 8,000,00 was also released.

Mr. Liang Chi-chao has long clamored for currency reform and it was therefore to be expected that he should give it the foremost place in his financial programme. Monetary conditions in China are most chaotic. The silver tael, fictitious in places and real in others, varies in different localities. Thus one Haikwan tael equals $1\frac{1}{2}$ Tientsin tael, but 1.114 Shanghai tael. Silver dollars of various origins circulate together, exchangeable according to their contents of fine silver. Thus, we have not only silver dollars coined in different mints at different periods, but also foreign dollars, such as the Straits dollar, Spanish Carolus dollar and the Mexican dollar. Our monetary system has adopted the silver standard, as provided by the Currency Law of 1914, but the *de facto* standard is still copper. Paper money is in a still worse situation. The notes of the Banks of China and of Communications do not circulate at par in Peking, while notes issued by some provincial banks are depreciated as much as 70 per cent.

To bring order out of this chaos, Mr. Liang Chi-chao had prepared a thorough scheme of currency-reform. It was divided into two parts, viz: (1) Unification of silver currency, and (2) Redemption of depreciated notes. The silver standard as adopted in the Currency Law of 1914 was to be maintained and enforced. There should be absolute uniformity with regard to the fineness, weight and form of silver coins, and any silver coins in circulation found to deviate from the provisions of the law would be withdrawn, and recoined. Proper silver subsidiary coins were to replace the small silver coins, at present in circulation. The depreciated notes of the provincial banks would be redeemed, either by means of the notes of the Bank of China or some other means, and the value of the Peking notes of the Banks of China and of Communications must also be ameliorated. The ultimate standard to be adopted, i. e. whether "gold exchange" or silver, was to be deferred for later determination, as, with the war going on, it was deemed premature to prophesy on the relative values of gold and silver.

In order to carry the above scheme into effect, a large sum of money was required. But this could only be secured by borrowing. Negotiations for a second Reorganisation Loan were begun with the Four-Power Group Banks in October last. When Mr. Wang Ke-min, the present Minister of Finance, succeeded Mr. Liang Chi-chao, he was reported to have said that, in the matter of currency reform, he would pursue the same policy as his predecessor. Thus, we may hope to see the realisation in no distant future of the plan of currency reform.

An interesting fact to be recorded in this connection is the intention, as expressed by the American Minister, of the American group to

rejoin the Four-Power Group Banks and participate in the second Reorganisation Loan for Currency Reform. As we know, the Americans were among the first to take an interest in our currency reform. It was at our request that Professor Jeremiah Jenks was sent over in 1903 to study the monetary problems of this country and his visit had undoubtedly given a great impetus to the demand for currency reform. The American Group was, moreover, largely responsible for bringing about the Currency Reform and Industrial Development Loan Agreement of 1911, which they signed along with the British, French and German Groups. The withdrawal of the American Group from the negotiations of the Reorganisation Loan of 1913 having always been lamented, their intention in favor of a change of policy must therefore be welcome to everybody in the Far East.

The continual depreciation of the Peking notes of the Banks of China and of Communications is occupying the attention of all people, great or small. Indeed, it is the most pressing of the problems of currency reform. Unless the banks are provided with a sufficient stock of metal, it is useless to attempt specie payment. What is required is a gradual rise in the value of the notes. While limiting the supply by ceasing to make fresh issues, its demand may be increased by some artificial means.

It was with this point in view that the financial authorities decided to cancel the requirement of specie for payments in the railway service and to accept notes at par for such purposes as well as for revenue collection in the provinces of Chihli, Honan and Shantung, also in the Special Districts of Chahar and Kwei-Suei. Other means have also been adopted, e.g. the acceptance at a better rate on the notes for remittance to other places. The effect of such measures has perhaps not been as great as one might have expected, but considering the actual political conditions, it may be said that they have been at least effective in keeping the value of the notes from falling any further.

An advance of Yen 10,000,000, known as the first advance of the second Reorganisation Loan, was made by the Yokohama Specie Bank on behalf of the Four-Power Group, and the money so advanced was spent in maintaining the value of the notes of the Bank of China. According to the report of a vernacular press agency, a second advance of another Yen 10,000,000 is soon to be made* by the same bank on behalf of the same Group to the Chinese Government for the same purpose. The expenses incurred by the Bank of Communications in maintaining the market value of their notes have been met from the proceeds of a loan of their own.

*This 2nd advance has since been made—on the 6th January 1918.

Besides the currency reform, two other reforms figured most prominently in the programme of Mr. Liang Chi-chao. The first was the abolition of *likin*. It is well known that the existence of *likin* acts as a great hindrance to the development of trade and industry. But, as it brings to the State an annual income of \$20,000,000, no one is bold enough to pronounce its unconditional abolition. Some other source of revenue must be found to make good the deficit to be caused by its abolition. The institution of a Production and Destination Tax is generally considered to be a good solution. Mr. Liang Chi-chao had the intention of initiating the reform in a few provinces and gradually extending it to others.

A thorough reorganisation of the Tobacco and Wine revenue was another reform contemplated by Mr. Liang. After having incorporated the then independent Bureau of Tobacco and Wine Revenue into the Ministry of Finance, the law on tobacco and wine was amended to ensure an effective control by the States over the sale of the two commodities. As existing at present, there are five different imposts on tobacco and wine, more or less duplicated, and it was the desire of Mr. Liang to amalgamate them into one or two simple taxes. This would benefit the consumers as well as the State as, in matters of taxation, simplicity means economy.

As the declaration of war against Germany and Austria has profound influence upon China's political status, so has it great effect upon her financial conditions. All claims of repayment of debt by Germany and Austria were *ipso facto* stopped or suspended on the declaration of war. The following lists give a summary of German and Austrian claims:—

(1) Arising from Treaty—According to the Peace Protocol of 1901, China was to pay to Germany an indemnity of Mks. 275,165,423.33, to be paid in Shanghai by monthly instalments of Mks. 1,247,610.22.

(2) Arising from Agreement—i.e. Advances by the Deutsch-Asiatische Bank, debts due to Carlowitz, Diederichsen and other firms, about \$10,606,970.

(3) Arising from agreement entered with Germans and subjects of some other nations—monthly payment of principal and interest on:—

- | | |
|---------------------------------|--------------|
| (a) British-German Loan of 1896 | £40,279-13/4 |
| (b) British-German Loan of 1898 | £34,801 6-8 |
| (c) Reorganisation Loan of 1913 | £20,833 6-8 |

(1) Arising from Treaty—According to the Peace Protocol of 1901, China was to pay to Austria an indemnity of Kr. 14,394,091.40, and the monthly payment of principal and interest for 1917 was Kr. 65,263.34.

- | | |
|------------------------------|-----------------|
| (2) Arising from agreement. | |
| (a) Arnholt, Karberg Loan II | £360,000 |
| (b) Arnholt Karberg Loan III | £200,000 |
| (c) Austrian Loan I | £890,000 |
| (d) Austrian Loan II | £1,333,500 |
| (e) Austrian Loan III | £333,600 |
| (f) Austrian Treasury Bills | £1,139,314-10-8 |
| (g) Other Loans | £49,373-10-2 |

Upon the declaration of war, the Deutsch-Asiatische Bank was also taken over by the Chinese Government for liquidation.

As a practical demonstration of a friendly attitude towards China on her declaration of war against the common enemy, the Allied Powers agreed to defer for five years the payments of the Boxer indemnity. The annual quota of indemnity payment to the different Allied Powers is as follows:

(1) Russia	\$7,093,282,757
(2) Japan	1,892,327,717
(3) Great Britain	2,754,185,113
(4) Portugal	50,191,773
(5) Belgium	461,620,014
(6) Italy	1,448,189,837
(7) France.....	3,856,374,837

\$17,556,172,048

Russia, owing to her preponderant share, only agreed to defer one-third—thus bringing the annual deferment down to about \$13,000,000.

The Allied Powers—and also America—further agreed to revise the Customs Tariff on the basis of an effective 5 per cent. A commission on Tariff Revision composed of delegates of all the Powers concerned is at present sitting in Shanghai. It has been estimated that as the result of the revision, the customs revenue may very nearly be doubled.

Meanwhile, a new National Tariff was promulgated by a Presidential Mandate on December 25th. It was to apply in our trade with subjects of non-treaty nations. The rates are fixed as follows:—

(1) Luxuries	30 p.c.—100 p.c. ad valorem duty
(2) Useless goods	20 p.c.—30 p.c. do
(3) Useful goods	10 p.c.—20 p.c. do
(4) Necessary goods	5 p.c.—10 p.c. do

It is true that the financial condition of China as presented by the above survey of 1917 does not warrant us in taking a very optimistic view of the future. We still find the unfortunate phenomena of undue preponderance of military expenditure, financial importance of the Central Government, chaotic state of monetary affairs and the general aridity of measures of reform.

But these phenomena are only transitory, which will disappear when the root of the evil is removed. It is the unsettled political conditions that have caused the apparition of such phenomena, and such conditions are in turn caused by the cleavage still existing between the North and South. As, however, there is no radical difference—whether racial, linguistic, religious or even political—that could keep them permanently apart, the time will not be very distant when this cleavage will disappear. Then we shall find our finance, along with other things,

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restored to its normal state.—*From The Peking Leader, by special permission of Author and Editor.*

* * P. S.—One important event should also be recorded. By a Presidential Mandate dated November 21st the charter of the Bank of China was amended, which affected the Bank in the following manner:—

- (1) *Re* Capital: (a) Original Charter of 1913—Amount \$60,000,000, Government to subscribe half, on which one-third at least should be paid up; (b) Amended Charter of 1917—Amount \$60,000,000, of which \$10,000,000 to be subscribed by the public, and the Government was to take part in the subscriptions—thus eliminating the statutory provision of the Government's holding half the shares of the Bank.
- (2) *Re* Governor, Vice Governor, Directors, and Censors of the Bank: (a) Original Charter—Governor

and Vice-Governor to be appointed by the President of the Republic, Directors and Censors to be elected by the shareholders' General meeting; (b) Amended Charter—Directors and Censors to be elected by the shareholders' General meeting and the Board of Directors to elect two directors as Governor and Vice-Governor respectively.

- (3) *Re* Tenure of office of the Governor and Vice-Governor: (a) Original Charter—Governor and Vice-Governor, five years, Directors, 4 years. (b) Amended Charter—Governor and Vice-Governor, same as other Directors, viz. 4 years.

It may be seen from the above that the motive behind the amendment was to make the Bank less "Governmental."

Week's News Summary

THE WAR

January 17. News reaches Geneva that a naval mutiny occurred at Kiel, January 7; a number of German officers were killed by the mutineers who were mostly sailors from the submarines.—A pitched battle occurs in the streets of Odessa between Ukrainian troops and Maximalist soldiers and sailors.—The British House of Commons rejects by a vote of 126 to 48 an amendment moved during the second reading of the Military Service Bill to enforce compulsory service in Ireland.—Details are published in Paris of a German raid on the French trenches in the Verdun region, January 12. A terrific combat took place in the snow, the German columns being thrown back by an intrepid French onslaught.

January 18. The Central Powers reject the Russian proposals and state that they will not evacuate any of the occupied territories; they refuse to entertain the idea of a referendum.—A British White paper gives details of a claim from Holland for compensation for the loss of two ships sunk by German submarines on the ground that they were compelled by Great Britain to proceed to a British port when on a voyage from French West Africa; the British Government refuses to entertain the claim.—Lloyd George, the British Premier, in a rousing war speech makes an appeal to Trade Unions not to obstruct measures to raise more troops; it was a matter of either going on or going under.—In the British House of Commons the second reading is moved of a bill providing for the registration of 750,000 youths between the ages of 15 and 17, with a view to making use of their services for industrial purposes.

January 22. A bill is introduced in the U. S. Senate creating a War Council of 3 civilians; it is opposed by President Wilson.—News reaches Amsterdam that an agreement has been reached at Brest Litovsk between the Central Powers and the Ukraine by the terms of which both parties immediately resume economic relations.—The cruiser *Breslau* is sunk and the *Goeben* damaged in an action with British naval forces at the entrance to the Dardanelles; the British lose the monitor *Raglan*.

January 23. The British Admiralty's report shows 6 vessels over and 2 under 1600 tons sunk during the week.

CHINA

January 19. One of the principal matters which Baron Hayashi, the Japanese Minister to China, will have before him on his return to Peking is the settlement of affairs in Shantung, delegates from which Province are now in Peking; they state they are determined to give the fullest publicity to any move made either by the Japanese or the Chinese authorities towards subverting Chinese rights in that Province.

January 23. Dr. Arthur Stanley, Shanghai Health Officer, arrives in Nanking in accordance with a request from the Chinese authorities to cooperate with them in warding off pneumonic plague from the Yangtze Valley.

January 24. At a meeting of the Cabinet Ministers at Peking it is decided to convoke the new national legislature at an early date.

JAPAN

January 18. A number of Japanese warships arrive at the harbor of Vladivostock; the Japanese Government refuses a Russian request to withdraw them.—By arrangements concluded between the British Treasury and the Japanese Government a new British loan for Yen 100,000,000 will be floated in Japan; it is stated that the loan is principally for the purposes of adjusting exchange. An arrangement is made whereby Japan receives from the Indian Government rupees to the equivalent of £2,000,000; the balance of the loan, Yen 30,000,000, is to be sent to America from Japan for exchange adjustment purposes.

January 20. Two prominent Japanese newspapers, the *Asahi* and the *Yamato*, express surprise that Great Britain should have despatched a warship to Vladivostock. These papers say that Great Britain should surely trust her Far Eastern ally and friend, and that her action in promptly sending a single warship to Vladivostock is surely to be regarded as indicating lack of confidence and good faith in Japan in her pledge to guard the interests of her allies in the Far East.

January 22. The Upper House convenes at Tokio. Premier Terauchi, after referring to the friendly relations existing between Japan and England and America, states that the situation in Russia was causing great anxiety, and in the event that peace in the Far East was endangered the Government of Japan would not hesitate to take proper measures. Baron Motono, Minister of Foreign Affairs, in an address to both Houses stated that the Japanese Government had no intention to interfere or to take sides in the internal political dissensions of China.

GENERAL

January 16. Mr. Garfield, the U. S. Fuel Administrator, creates a furore in American manufacturing circles by ordering the closing down for five days each week for a period of ten weeks of every plant in the United States except those producing food; it is estimated that 30,000,000 tons of coal will be saved by the enforcement of this order.

January 17. The British Treasury announces that it will take over the rights of British holders of Russian Treasury bills maturing on January 28 in exchange

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January 20. The Russian Constituent Assembly in session at Petrograd is forcibly dissolved at 4 o'clock in the morning by Bolshevik sailors.

January 22. Sir Edward Carson resigns from the British War Cabinet solely because he does not wish to be drawn into an awkward position in connection with forthcoming negotiations on the Irish question.—A great labor conference opens at Nottingham (England) with a reception to the Allied delegates, including the newly-appointed Bolshevik Ambassador.—Two foreign policemen, one Indian, and one Chinese policeman, are killed in a sensational encounter with robbers in the outskirts of Hongkong while trying to execute a search warrant for arms and ammunition.—Strikes become general in Austria and Hungary; at Budapest the entire railway, tram and underground service, was temporarily stopped. The object of the strikes is stated to be to force the Government into negotiating for peace.

January 23. The strikes in Austria come to an end as a result of the Government promising reforms.

America

Judge Gary, head of the U. S. Steel Corporation, in a speech at Chicago, January 5, urged the importation of Orientals to solve the labor problem.

Colonel George Harvey in the *North American Review* for January urges President Wilson to appoint Theodore Roosevelt as the head of a special military commission to Japan.

Otto Kahn, the New York banker, says Prussianism has given to Germany prosperity, beneficent legislation and a few other things, and taken in payment the soul of the race.

A teacher of manual training in a Seattle school and a Seattle dairyman have each been sentenced to a ten-year term of imprisonment by a military court at Fort Warden, Wash., because they refused to obey the call of the draft boards; they claimed to be conscientious objectors. The military court treated them as deserters.

According to the New York *Sun's* Washington correspondent, Congressmen gasped when, on December 12, in the statement which President Wilson submitted to Congress covering expenditures made out of his G. \$100,000,000 War Emergency Fund, it was shown that G. \$1,350,000 of it had been allotted to the Bureau of Public Information, (at the head of which is George Creel,) and that the Bureau had spent about half this sum. Republican members of Congress state that much of the expense incurred by the Creel committee was for printing the so-called Red, White and Blue Book. This book, the minority members say, is virtually a Democratic campaign document camouflaged to look like something else. Democratic Senators and Representatives have realized the value of the document to them and have franked hundreds of thousands of them—nobody knows just how many—throughout their States and districts. Other items are going to be subjected to the searchlight of painstaking scrutiny.



Men and Events

The attention of readers is particularly directed to an article in this issue of the *REVIEW* entitled "The Financial Condition of the Republic of China" by S. L. Hsu, Secretary to the Ministry of Finance at Peking. The article is ably written, is authoritative and instructive. An important postscript concerning the Bank of China is appended to the main contribution.

The census taken by the Nagasaki Municipal authorities in December shows a total foreign population of 1,177, of whom 78 are British, 70 American, 33 French and 25 Russian.

The annual Carnival at Manila takes place this year from February 2 to 10. Thomas Cook & Sons, who are the official passenger agents for the Philippine Government, are now booking passages.

The death occurred in Singapore recently of J. R. Anderson, for some years a newspaper man in the Philippine Islands. The late Mr. Anderson was, during its brief period of existence, the editor of the *Shanghai Free Press*.

J. Kerfoot, a well-known Shanghai cotton mill manager, delivered a lecture in the Union Church Hall on the evening of January 23 on the subject of "My impressions of England in 1917—the war's effect on the people now and after."

At the special request of the Committee of the Sunday Service League, Judge Charles S. Lobingier will give his address on "Jerusalem Delivered" at the service in the Martyrs' Memorial Hall, 120 Szechuen Road, Sunday afternoon, January 27, at five o'clock.

For nearly two weeks, says the *Manila Bulletin*, the Philippine Islands have been in the throes of a "cold wave," minimum temperatures hovering around 65 degrees Fahrenheit, which is decidedly unseasonable. As a result of the "low" temperatures overcoats had been in vogue, heavy clothing had been resurrected if there were those so fortunate as to have any, and woolen blankets were in demand.

A wireless message received in Shanghai, January 22, from the American transport *Warren*, two hundred miles out at sea between here and Manila, gave the information that it had been crippled by a broken propeller; the Asiatic Petroleum Company's motorship *Juno* responded to the call and rendered assistance. The *Warren* was towed back to Shanghai.

One of the pending cases at the Shanghai Mixed Court is that of a Greek named Mavrommatic charged with threatening to publish a libel on the wife of Louis Sardeigne with intent to extort money, and also with offering to abstain from the publication of certain matters touching complainant and his wife with similar intent.

The death occurred at Tientsin last Saturday of Justin Roche following suddenly upon an attack from cerebral hemorrhage, with which he was seized while riding in a ricksha. This young man, who was only 24 years of age, was born in Shanghai, being the son of a well-known Venezuelan export merchant, whose death occurred here several years ago. The mother and sisters of the deceased at present reside in Tsingtao.

The Reverend A. L. Warnshuis, D. D., the National Evangelistic Secretary, who has just recently returned from the United States, will address the American Song Service next Sunday afternoon, January

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In the United States Court for China

In re Estate of
Cornelia Mayer Geerts,
Deceased.

Cause No. 630
Special Proceeding No. 238
(Administration)
NOTICE TO CREDITORS

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the estate of Cornelia Mayer Geerts, deceased, to present the same, with vouchers, to W. H. Emberley, Administrator of her estate, on or before July 26, 1918; and all persons owing debts to said deceased are hereby notified to make payment of the same in due course to the said Administrator.

W. H. EMBERLEY,

After Feb. 1st, 51-A Kiangse Road,
Shanghai, China.

Shanghai, China, January 26, 1918.

27, at the Palace Hotel at 4:30 o'clock. The following Sunday Sherwood Eddy, who has been two years at the front working among the soldiers and the past year in the States helping to raise the \$52,000,000 for the Y. M. C. A., will address the Song Service.

A tale is told by *The Japan Chronicle* of a little girl employed in a minor capacity in the office of a *funanarikin*. The millionaire celebrated the new year by giving his employees a huge bonus. The little girl took her fat wad of notes home—and was promptly thrashed by her mother for stealing them, and dragged to the office to apologise for the theft. When it was explained and they got home again she was admonished once more for not making herself clearer! Wealth is grievous, as those who have it often declare.

It has hitherto been the Court rule in Japan that the heir to the Throne should not be allowed to read the newspapers until he comes of age, (says the *Japan Chronicle*). The rule is, of course, not an old one, considering that newspaper literature is a modern institution in Japan; probably it is a survival of the feudal era when the Emperor and his family were kept under strict supervision and their mental activities directed into harmless channels. How far the rule was observed in regard to the present Emperor when he was Crown Prince is somewhat doubtful, but at any rate the rule was supposed to exist and is now to be broken. The present Crown Prince is only 16 years of age, but he is to be allowed to read the news, though only in a special censored form. Selections are to be made out of three of the Tokio papers by Court officials specially appointed, and these selections will comprise telegrams, general news, articles on politics,

economics, etc. These are to be made up into a special paper which will be printed at the Government Printing Bureau. In fact it is said that specimen copies of the paper have already been printed.

Thus the *Wall Street Journal*:—It is true that restaurant keepers and hotels are economically cutting down portions. They are not honestly cutting down prices, but, on the contrary, have advanced them, and claim that the reduced supply of food gives them no material advantage as their expenses are chiefly in cost of service and other things, like management, rent and lighting. But before the war and during the period preceding our entry, they were advancing prices up to 50 per cent or more on the exactly reverse plea of the higher cost of the food they bought. This was enough to put a hot roast beef sandwich from 25 cents to double the price before Mr. Hoover was heard of. This kind of lip patriotism leaves a bad taste in the mouth, and there is all too much of it. The unfortunate ultimate consumer, by the million, is doing his share in cutting down on innocent luxuries and comforts to buy Liberty bonds, or to make ends meet. Some day he will make himself vocal and tell these privileged profiteers what he thinks of them and their "sacrifices." Suppose some hotel proprietor or restaurant keeper inaugurates, in addition to meatless and wheatless days, a "Cheatsless Day" for every day of the week! It would have the charm of novelty and would, moreover, establish a prestige which would outlast the war.

Thus *The Japan Chronicle*:—In hardly any week since the war began has there been so little war news. There is a great deal of peace news, and though for the present it is a case of talking of "peace when there is no peace" the outlook is at least hopeful. The belligerents are "stating their terms" with a vengeance, and nobody can complain any longer that he does not know what he is fighting for, though a good many will consider that some of the items on the list are hardly worth fighting for. Most of them are objects which Europe has not considered it worth fighting for before, but now the nations are about it they may as well make a general settlement, for though many of the questions may not be worth beginning a war over they may be worth fighting for once the war has begun, since they have all contributed to the situation which ultimately gave an excuse for the war. President Wilson's statement of American war aims, which includes a great many things very desirable in Europe but does not mention the particular American grievances (except "freedom of the seas") which brought the United States into the war, is exceedingly gratifying to the Allies, but will not placate objectors like Senator La Follette.

Frawley Players Return to Shanghai

The Frawley Company, according to telegraphic advices, are now playing a successful engagement in the Hawaiian Islands and expect to open up in Shanghai about the twentieth of February after playing in Japan.

Mr. Frawley is very enthusiastic in his description of the new company and his repertoire of plays, the majority of which are still enjoying tremendous successes in New York and London.

The present company is composed of entirely new people, with the exception of Mr. Frawley, Valentine Sidney and Mr. Reynolds Denniston. The leads are in the hands of Miss Katherine Decker, Miss Florence Chapman, Mr. Henry Mortimer and Wm. H. Claire,

the remaining members being Miss Ola Humphreys, Miss Valentine Sidney, Miss Eileen Lloyd, Mr. Augustus Forbes, Mr. Wm. B. Howard, Mr. George McGarry, Mr. Edward Delaney and Mr. Reynold, Denniston.

The company as a whole is described by Mr. Frawley as happily selected and very well balanced, each member being a finished and experienced artist.

In his selection of plays Mr. Frawley has met with unexpected success, being able to secure several of the latest productions of David Belasco and George M. Cohan, two of America's greatest playwrights and producers.

The repertoire consists in part of Mr. Gillette's delightful comedy, *A Successful Calamity*; Bayard Vellier's phenomenal success, *The Thirteenth Chair*, which just closed in New York after a season's run and is now the rage in London; *The Tiger Rose*, David Belasco's real sensation now running at the Lyceum; *The Boomerang*, a Belasco production and perhaps the most delightful comedy of recent years; *Cheating Cheaters*, a strong comedy drama produced by George M. Cohan, *It pays to Advertise*, George M. Cohan's side splitting comedy, *Seven Keys to Baldpate*, another Cohan production, *Kick In*, a strong play in which Jack Barrymore has been starring, Belasco's production; *The Easiest Way*, a very strong drama of *The Outcast* type. Some of the other plays are *The Witching Hour*, *Officer 666*, *The Rainbow*, *The Great Divide*, *Seven Days*, and two of Frawley's last season's successes, *Fair and Warmer*, and *The Outcast*.

Better Relations Between America and Canada

From the New York Journal of Commerce

Before the general shaking up caused by the war in Europe there seemed to be more or less ill-feeling in Canada toward the United States, to which the people of the latter country appeared to be rather indifferent. Intimate trade relations between the two countries would have been to their mutual advantage, as much so as unrestricted trade between the North and South or the East and West to the people of either section. When our tariff was designed to protect us from competition on the other side of the border and that of Canada gave preference to imports from Great Britain, a sort of jealousy or ill-feeling grew up, the cause of which was a very poor policy. Nothing could have been better for the two countries than a perfectly free and unrestricted trade intercourse. If it had included transportation facilities, it would have been a benefit to Canada and not an injury, while the United States would have gained somewhat by it.

Since the war came on, and long before the United States became a direct participant in it, the two neighboring countries had got on better terms with each other and they are now pulling together on terms that are quite friendly. A good deal of Canadian banking in connection with sending supplies abroad and receiving them from this country for various purposes is done through this city. There is a largely increased interchange of raw materials and manufactured articles in the continual adjustment of supply and demand between the two countries and between them and the nations they are allied with in a common cause on the other side of the ocean. There is much use of credit between them.

There is really a closer relation in spirit and habit between Canada and the United States than between

Notice to American Citizens

In the Shanghai Consular District

American citizens and the representatives of American institutions and business houses are hereby notified that the regulations of the Department of State urge all American citizens, institutions and corporations to register annually with the Consul in whose district they live or operate. The object of this registration is to facilitate the protection of American citizens, institutions and corporations. Those who, knowing the regulations, nevertheless, do not register, may reasonably be presumed not to be entitled to register and not to be entitled to the protection of the United States Government.

Citizens who registered prior to May 1917 should now re-register under the revised regulations.

The revised regulations require the presentation by applicants for REGISTRATION or for PASS-PORTS, whose citizenship is based upon birth in the United States, to present certificates of birth, or else the affidavits of two reputable persons (American citizens if possible) having knowledge concerning the date and place of the birth. If, however, after reasonable efforts have been made, it is found that such evidence is not obtainable, or if there is urgent necessity for early action on an application, the Department of State will undertake to make the necessary inquiries if furnished with the names and addresses of two or more reputable persons in the United States who are in a position to make affidavits in regard to the applicant's birth in the United States; but, before doing so, requires assurance that the applicant himself has made a reasonable effort to obtain the best possible documentary evidence of his birth in the United States.

Accordingly, to avoid delays in the necessary approval by the Department of State of registrations, and in the securing of passports, American citizens in the Shanghai Consular Districts are advised to secure from the County Clerk of the County, or the authorities of the City, wherein they were born, a certificate of birth, or, if not recorded, the affidavits of two persons in regard thereto.

Dated: Shanghai, January 16, 1918.

THOMAS SAMMONS,

American Consul-General.

either of them and any European country, regardless of political relations. At this time they are building up trade and financial relations in a common cause and it is leading to a better understanding and will doubtless result in more friendly feeling in time to come. We shall also be on better terms, or at least on terms of better popular feeling with the mother country of Canadians, to which they are still attached, and which may be said to have been the grandmother country of this republic, which it alienated from itself by unkind treatment.

All these family differences are likely to disappear when the war is over. At least there is every reason why they should do so. It is to be hoped that all American nations will come to a better understanding and more kindly relation. The chief obstacle with those to the south is the difference of language. This is the chief cause of a lack of understanding between nations and is the primary cause of conflicts which lead to armed warfare. It is about time for the human race to outgrow or overcome these differences due to animal origin.

Women's Work

American Woman's Club

There was a large attendance at the meeting of the American Woman's Club of Shanghai held at the Carlton Cafe on Tuesday afternoon at 4:30 p.m. Mr. John K. Sague, one of the American delegates to the Tariff Revision Conference now in session here. His subject was; "Woman's Responsibilities from the Standpoint of a Man," the key for which was the recently enacted law granting suffrage to women in America. Mr. Sague said, that the coming of suffrage for women was inevitable and now that women are to have that vote they can purify American politics by electing to office only such as are fit and are qualified to serve. Women can help to change the standard of politics, the speaker declared, as politics should measure up to religion, and no government can measure up to its right standard until all are interested in what affects their welfare. Women have higher ideals than men and they can sacrifice more for principle, and the giving of the vote for women means the rebirth for American politics and government. No country has made greater strides in improving its municipal government in the past 15 years than America, and she learned much of her lesson from her experience in the Philippines. If suffrage for women fails, it will be the fault of the women themselves, but it will not fail, as America is putting into the cornerstone of her government these three things, Love, Justice and Truth.

The first part of the program was devoted to music, including a number from the violin, cello, and piano-Trio, Op. 63, No. 2 (Hans Sitt)-given by Mrs. Darrel Drake, Dr. Billinghamurst, and Mr. J. Evans. Mrs. Sague, Mrs. Folkes, and Miss Strow were introduced to the Club and the names of newly elected members were read. It was announced that the Club will soon be required to elect delegates to the convention in America of the Federated Women's Clubs, and two of the several members now at home will probably be delegated.

War Relief in Japan

Mrs. F. N. Doubleday, wife of the head of the firm of Doubleday, Page & Company, the well known publishers of the *World's Work*, *Country Life in America*, *The Garden Magazine* and *Farming*, has arrived in Yokohama and is enroute to China and Manila. While in Japan Mrs. Doubleday gave an interesting address before the American War Relief Association on the American Red Cross. Mrs. Doubleday said: "The materialism of American women has been hit on the head, and the American girl that has always been vivacious but whose superb energy has often been misdirected, has been transformed by her work in the war and is no longer concerned about things, but is only thinking of ideals." The speaker said that the fact of 1,000 cases being shipped abroad every day shows that the American women are succeeding in their work. In July last year the shipment of surgical materials and other hospital articles was at the rate of 200 cases a day. Mrs. Doubleday told about the conservation of food in the United States and that before coming to Japan she had not tasted white bread in six months but had eaten only war bread.

Club Meeting

The Music Department of the American Woman's Club of Shanghai met with Mrs. Hallam at the Astor House in her apartments on Friday, January 25, at 5 o'clock p.m. A program on the life and works of Schubert was prepared. The program was as follows: A Short Sketch of Schubert's Life, Mrs. Roberts; "The Wanderer," Mr. Gill; "By The Sea," Mrs. Bradley; Duet, "Alfonso and Estrella," Op. 69, Mrs. Tewksbury and Mrs. Meyers; "Hark Hark the Lark," Mrs. Rawlinson; Schubert's Serenade, Mrs. Darrel Drake and Mr. J. Evans; "The Erl King," Mr. Darrel Drake; Piano solo, "Impromptu." Op. 90. Mrs. Darrel Drake.

School Children Aid Red Cross

According to a report of the executive committee from the San Francisco School Department Red Cross Auxilliary, four out of every eleven San Francisco school children have contributed to the Red Cross since May 1, 1917. In seven months 24,500 pupils have given to the Nation's Relief Society G. \$7,975.10, and 200 pupils have given G. \$5,231 for memberships. Both girls and boys at home and during the recess period have knitted 434 sweaters, 307 mufflers, 183 pairs of wristlets, 39 pairs of socks, and 3 helmets. They are now working on 1,000 sweaters and 386 knitted squares. Since May 1, 1917 the children-seamstresses have sewn the following articles: 138 suits of pyjamas, 28 convalescent robes, 138 bed shirts, 150 pairs of bed socks, 1000 sheets, 300 bags, 19 infirmity kits, 4,000 handkerchiefs, 96 pillow cases, 50 comforts, 2,000 pincushions, 600 wash cloths, and 36 scrub cloths. Some of the knitting was done by wooden knitting needles made by the boys of the wood working department of the Polytechnic High School.

Far Eastern Press Opinion

Chinese Press Comment on the Arms Agreement

According to a Reuter telegram from Tokio on January 17, the Sino-Japanese Armament Agreement has been signed at Peking. This is unanimously condemned by the Chinese Press with, perhaps, a few exceptions by Government organs. The latter assert that this compact is nothing more than an ordinary purchase of foreign arms by China and that such deals had never caused any excitement in this country at normal times. The *Sinwanpao* (Shanghai) is horror struck in contemplating the havoc that will be wrought in China by the delivery of this consignment of arms, reported by Reuter to be worth \$4,000,000. The bellicose party have been eager to show their mettle for a considerable time, and the only difficulty that has prevented them gratifying their desires is the lack of both arms and funds. Now, on the one hand, the Currency Reform Loan has been reaffirmed by another partial payment, while on the other, this large supply of arms will soon be available. "What step can they not take? Alas, our poor people will once more fall into the thick of gunfire and become victims.

"Viewed only from this point, that is the point of harming our people by disturbances, the curse of this

compact may still be said to be limited within certain bounds. But how can we maintain ourselves as a nation when the right or power to control the weapons upon which a country depends for its defence is held by an alien country? Have not the disputes between different parties arisen from a general desire to maintain their respective grounds and from a common fear of failure to do so? If so, there should really be very little to matter; for the victory or defeat resulting from a family quarrel, that is to say whether the Chihli faction or the Anhui faction or even the Southwest People's Party be victorious, the property of that family will still remain in the hands of a member of the same family, and the national foundation will not thereby become undermined. Should we make a cocoon to confine ourselves in, we would place ourselves in a position from which we could never be delivered. However large the area of China may be, there would be no place left for our race to fight for mastery then, would there?" asks the *Sinwanpao*.

Chinese as "She is Wrote"

From the Peking Daily News

We had a delightful hour some time ago reading the Chinese advertisements in one of the leading London weeklies dealing with the Far East. In the engineering pages of our contemporary were offered for sale to Chinese buyers the most dangerous instruments of torture. The advertiser did not intend his commodities as instruments of torture, but such in fact they would have been if they had corresponded in any degree with the alleged description on them given in what purported to be Chinese. The mildest that could be said for these goods offered for sale was that they were dangerous. To take one example that we recall. One firm of engineers offered for sale a "semi-safe" steam engine. We had the most dreadful visions of a steam engine, safe during one half of the day and unsafe during the other half; of a still more dangerous engine safe for one five minutes and dangerous the next, something like those diabolical alarm clocks that kick up a frightful din for about five minutes, then stop, and then, just as one has snoozed off again for a final forty winks, begin their fiendish row again; of an even more dangerous engine that was safe and unsafe half the time, but erratically. We felt truly thankful that we were not in the engineering line, and exposed to nobody could say what frightful machinations. We felt sorry for those obliged to think of investing in this infernal machine, until by a somewhat round-about process we discovered that what the advertiser meant to advertise, and if possible to sell to us, was, possibly though not certainly, a semi-secured, or semi-fixed, or semi-portable engine.

Russia's Share in the Boxer Indemnity

From The Peking Leader

In our previous issues we discussed the postponement of the Boxer indemnity and suggested the surrender to China of the entire portion remaining unpaid. It only remains to examine Russia's share of this indemnity in the light of recent events.

Tls. 130,371,120 out of a total of Tls. 450,000,000 was, as we have already seen, allotted to Russia, and the annual payment due thereunder is \$7,093,282,747. This is the largest of the claims upon China; so when the question of postponement was mooted, the Petrograd Government consented to a waiver of only

one-third of its share. . . . For our present purpose we are concerned only with the relationship between the repudiation of debts by the Russian Government and the retention of two-third parts of its annual payment under the Boxer indemnity. If this act of repudiation is recognized, then it seems open to question whether or not the Government of this country is justified in withholding the payment of this indemnity. According to recent telegraphic advices, the present Russian Minister in Peking is no longer legally functioning as such, a decree of the Maximalists having dismissed him as well as his colleagues in Tokio and elsewhere. And coupled with the fact that the Allies have not yet recognized the Maximalist Government, the Russian Minister in our midst is placed in a most awkward position. The act of dismissal deprives him of the right to receive funds from Petrograd for the expenses of himself and his mission and therefore he is left to his own private means.

But for the repudiation by the Maximalists, the payment from the indemnity will still be forthcoming, and this will relieve not inconsiderably the financial embarrassment of the Russian legation, consulates as well as other Russians who have been much hard hit by the war and whose remittances from home have now been rendered so precarious. Now, legally speaking, the Minister is to-day no longer entitled to receive such payment. If so, he and his nationals may have to suffer some considerable privation for no fault of their own. But China and Russia are allies in the espousal of a common cause, so we would urge that under the circumstances our Government should, if necessary, assist the Russian Minister and his nationals in the way of a temporary advance from the proceeds of the Boxer indemnity. Whether or not a guarantee of repayment should be required is another question which properly belongs to the parties negotiating the same, as is also that whether the guarantee should be personal or one by the other Entente Allies. As far as we are concerned, all we would urge is that in taking any step to preserve its own interests, the Chinese Government should try its best to assist an allied official under the present circumstances. A friend in need is a friend indeed.

Chinese Customs Tariff Revision Conference

From The Manchuria Daily News (Japanese Newspaper—Dairen)

As regards the proposed rise of the existing tariff to an effective 5% basis, the proposition is considered as quite reasonable and there will be little difficulty to obtain the Powers' consent to this proposition.

What is regarded as the question of primary moment is the determination of the standard prices of trade goods.

It goes without saying that wildly fluctuating prices after the outbreak of the War should not be gone by.

In the second place, the quotations obtaining at the Treaty ports of China should not be adopted as the bases of computation. For, the ever-changing conditions of the communication facilities and the local disturbances in China, especially since the first civil war, seriously affect the market prices, and it would be against all common sense to use these quotations as the bases of permanent appraisal of goods. The absurdity of taking the prices after the outbreak of the War for the standards of appraisal is self-evident and can need no reiteration.

In the third place, the tables of classification of the goods, including the ponderous, bulky, fragile, and ordinary kinds, together with what may be included under the head of treasure or valuables, should be radically reorganized.

Hitherto, such classifications have been based upon almost irrational footings, and too often the classification has been roughly made by the weight and dimensions of articles. On this account, coarse or crude goods are too heavily taxed and the reverse is often the case with finely-wrought articles. In order to rectify this grave drawback in the existing classification tables, nice judgment should be exercised in the reorganization of the tables on a strictly businesslike footing, particularly with cotton yarn, calicoes, etc.

In the fourth place, the exemption from export duty of such staple products as raw cotton, animals' hair, iron, beans, bean cake, bean oil, etc., is the most desirable. There is a world-wide tendency to lighten the tax on domestic products for export except special kinds of merchandise. The exemption of the staple products as above enumerated would redound to China's benefit.

It is to be additionally hoped that Japan, whose commercial status with China has now taken the foremost place, should receive due recognition.

Japanese Opinion on China's Domestic Difficulties.

The *Tokio Asahi*, after reading an anonymous interview which was printed by the *Jiji Shimpō* credited to a great diplomat, on the subject of the Chinese situation, says that who the man was who gave that interview could be guessed at. But that interview was indeed a bold, reckless statement to give. The substance of it was that the revolutions in China of recent years have been carried to success by means of real strength; that the Southerners in China are all men of words, not action; and that even from the point of the interests of Japan, it is dangerous to leave China's politics in the hands of the Southerners. Should the compromise between the North and the South be not effected, the anonymous diplomat suggested, the Northerners may rightfully bring a pressure to bear upon the Southerners. The diplomat in question has thereby made a veiled suggestion that the man who has real strength in China today is Tuan Chi-jui and that Japan's policy toward China will be to assist Tuan Chi-jui.

Throughout the interview, the diplomat uses the expression "real strength." What he means is "military strength." He thinks that the man who holds "military strength" will be able to hold political power. He is mistaken, for it was the power of speech and press in the south of China that overthrew the Ching dynasty. That point will never be understood by a man like the great diplomat in question who is caught in the mesh of old ideas. To think that the downfall of the Ching dynasty was the work of the Northern militarists alone would be to think that the revolution in Russia was effected by the soldiers alone.

If the Advisory Board of Foreign Affairs supported a policy such as outlined in that interview by the great anonymous diplomat, then the value of the diplomatic ideas of the board could be estimated pretty closely.

The *Nichi-Nichi*, discussing the situation in China, says that although two weeks or more have elapsed since the presidential proclamation regarding an

armistice between the Northern and the Southern forces the conflict has not been stopped. Along Ichang, Hunan, and other places, the forces of both sides are warring against each other. Some of the intelligent Chinese are reported to entertain a desire that Japan should intercede in the interest of compromise between the two sections of China, so that the representatives of both sides may be brought together to confer upon what is to be done to bring about a compromise. But is China unable to settle her own difficulties at home?

Japan desires that the political troubles in China should be settled as soon as possible. But it is not wise for her to plunge herself into the whirlwind of political struggles in China. China's political troubles can be settled without Japan interfering in the domestic affairs of that country. Whichever way the political situation may develop in China it will be none of Japan's business, so long as the changes are purely local. President Feng Kuo-chang is responsible for bringing about the present situation, because he has taken a double-dealing policy. He must see to it that the troubles are settled. Outsiders should not meddle with the domestic affairs of China.

Japanese Editor Sees Need of Education in China

From the Tokio Jiji

We advocate that Japan and the Japanese pay a great deal more attention to educational work in China. They should take a cue from Americans, who have refunded the Boxer indemnity to China in order that the money might be used for educational purposes. There are many ways in which the Sino-Japanese friendship may be advanced. But if that ideal is to be realized it will be realized only when the Japanese people shall show their attitude of brotherhood toward the Chinese, in sharing joys and sorrows together.

The Americans and the Europeans who are engaged in the work of educating Chinese are doing so with a sincerity of heart and with the spirit of universal brotherhood. They are engaged in their work in China with a far-reaching object in view. They are not aiming at immediate returns. When they win the heart of the Chinese by their charitable services, it will greatly help the diplomatic dealings of their respective nations. But these charitable educators and missionaries are in China as agents of the governments of their respective countries. They are there because of their sense of duty. The editor greatly admires these Europeans and Americans who are so devoted in their service in China.

Japanese should emulate the noble examples as shown by the Europeans and Americans in China. It will not do to engross their minds with the thought of concession and privileges so much. The economic and political matters may be attended to in a proper manner. But the work such as has been suggested above should be undertaken in the spirit of cooperation between Japanese and Chinese, as much as industrial enterprises are. The two peoples should go at it together in order to uplift the Chinese people from the thralldom of ignorance.

For the foregoing object, the remainder of the payment of the Boxer indemnity due to Japan should be refunded to China, on condition that the money thus secured by refunding should be devoted to the work of joint enterprises in the way of educating the Chinese people.

American Foreign Trade Promoted by Technical School

A SCHOOL where grown men, heads of departments in large manufacturing concerns, sit at the feet of a few competent to teach them, learning the fundamentals of what is practically a new adventure in American business—foreign trade—has been started in New York. It is not a place for youngsters who want to get a step up in the world. Most of the students, although the average age is not much over 30, are the proved coming men of the firms they represent.

It is the result of the knowledge which has been coming rapidly to manufacturers in America that after the war is over America must have a trained force of foreign experts if she is to hold her grasp on the great markets of the world which the war has given her. Foreign trade in its complexities and need for a large vision of world conditions and financial matters is a field which no one but a trained expert is competent to enter, and the United States is singularly shy in just such men.

Before the war the foreign trade of the United States was a minor matter, a little more than \$2,000,000,000. Owing to the shortsightedness and self-sufficient attitude of the average American manufacturer, who did not choose to study his market and cater to it, the manufactured exports had not grown to even this point with any appreciable rapidity. But in the three years since 1914 they have mounted to the total of \$6,250,000,000, and American manufacturers have a grip on the foreign markets left open to them which they should be able to hold against the trade assaults of Germany and England after the war if—if they have trained men to cope with the trained men of those two nations.

That was the reason for opening this school. It is the idea mainly of Dr. Edward Ewing Pratt, former chief of the Bureau of Foreign and Domestic Commerce in Washington and now vice-president of the Pacific Commercial Company. Dr. Pratt was an officer of the U. S. Government when foreign buyers turned to the United States to supply those things which Germany and her opponents had formerly supplied.

The great rush of orders from other countries found the United States unable to keep up with them. Manufacturers in America not only knew little of foreign trade conditions, they knew next to nothing of the methods of selling, shipping, granting credits, correspondence and the building of good will, according to the needs and temperaments of foreign buyers. The Bureau of Foreign and Domestic Commerce supplied that needed knowledge, and for two or three years Dr. Pratt has been going about the country telling manufacturers what they should do to get and hold their markets—the latter phase being the most difficult thing for them to understand.

The great commercial success of Germany was based on that principle—finding out what the foreign buyer wanted and then giving it to him, even to the extent of wrapping his goods in pink paper instead of white if his aesthetic soul cried for it. Dr. Pratt soon found that while the heads of large American manufacturing companies were eager to establish a trade which so greatly extended the bounds of their business—something which had literally been dropped into their laps—they were not able to get men capable of handling the



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A modern store has been opened by the American Woman's War Relief Work Association in the Benjamin Building at the corner of Avenue Edward VII and Szechuen Roads. The store is modern in fittings with show windows, etc. and will be managed in a thoroughly efficient manner. It will be managed by Mrs. K. L. Brode, and it is the intention of the committee in charge of the Exchange to pay the actual cost of materials used in preparation for work to be sold at the store. All profits derived from the sale of materials at the store will be used here in Shanghai in the purchase of materials for the

American War Relief Work

now being conducted in Shanghai, by the American War Relief Work Association, in the Fearon, Daniel Building on Szechuen Road. The entire proceeds derived from the sale of materials at the Woman's Exchange will be handed over to the American Woman's War Relief Association.

WHAT YOU CAN BUY

Articles that may be purchased at the Exchange consist of jellies, preserves, pickles, fancy work of all kinds, baskets and ornamental work of all kinds. Orders for cakes and candies and such materials should be placed 24 to 48 hours in advance in order to insure freshness and obviate waste. It is hoped that ladies planning tea parties will order from the exchange materials their cooks are unable to prepare.

WHAT YOU CAN DO

The success of the Woman's Exchange, depends primarily upon the American women living in China although donations from women of other nationality are thankfully received. If you can do fancy work of any kind, or have articles of this kind for which you have no use, place them on sale at the Exchange. In case you desire to make fancy work to place on sale at the Exchange, the Committee will pay the cost of the raw materials used.

The use of the store room in the Benjamin Building has been donated to the Association; the Municipal Council has donated the electric light service; the Gas Company has donated heaters; the Telephone Company has donated the use of a telephone. It is now the problem of American women in Shanghai and the outports of China to assist in this enterprise upon which the success of American War Relief Work so largely depends.

problems of this intricate speciality. There had been no great demand for them, hence they had not been developed. That is changed, they are wanted and wanted badly, and sales managers, department heads and even vice-presidents of large corporations are practically going to school every day to learn the details which this new development of American business has forced upon them.

Manchuria as a Supplier of Match Sticks

The manufacture of Japanese matches has increased apace and some put the total production to occupy about 80% of the whole outputs of the world at present. They are exported not only to Manchuria, China, and the South Seas, but also to Europe and even the United States. The producing centres are about Kobe and Hyogo. The manufacturers there are extending their businesses and a few of them have raised themselves to plutocrats, although they do not stand out so strikingly above the common herd of merchants like upstarts in shipping and cotton businesses.

The match sticks have hitherto been obtained from Hokkaido, but the supply is being heavily depleted and is nearly exhausted. Siberia with its ample supply has been turned to, and an enormous stock has been drawn from that source. Of late, exports from Vladivostok have fallen off, and now it is the turn of Manchuria to be looked upon as a new source of supply. The port of Antung has for its hinterland the vast forest lands on the Yalu, but the port itself is inaccessible in winter to shipping. The port of Dairen now poses as the most promising outlet for material for match sticks. It is found that the country about Liaoyang and Mukden and along the Mudken-Antung Line and the Chinese Eastern Railway abounds in willows and other trees available for the purpose.

However, the steamer freight to Kobe costs about Yen 12 per ton, nearly twice as high as in ordinary times. If the freight goes down or the price at Kobe rises, Manchuria will become a popular supplier of match sticks.—*Manchuria Daily News*.

Not a Cat Product

Where's the cat farm from which we get our supply of catgut? The answer is, There isn't any cat farm. Cats' intestines can't be profitably utilized. If not cats, then what furnishes the raw materials for musical instruments and tennis strings? The answer is, Sheep. Every part of the animal is utilized, even the soft and mellow tones of his bleating voice, which are preserved in the intestines that string the tuneful violin.

As soon as the sheep intestines are graded, says "Popular Science Monthly," they are divided into narrows about eight yards in length. There are sent to the string factory, where they are thoroughly cleansed and chemically treated. It takes from twenty to twenty-four sheep to produce the strings for one tennis racket. A single violin string monopolizes the entrails of a whole sheep, however big.

After the gut is split by running it over a safety razor blade, the strands go through another machine which removes impurities. Following this they are repeatedly run through wringers on washtubs. From four to fifteen of these strands are used for one music string, being spun into strings, twisted, and polished off with emery paper.

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Hankow Exports

The Hankow British Chamber of Commerce reports as follows under date of January 16:—

There is hardly anything new to report, the position of this market remaining about the same as last depicted. The demand from America is still conspicuous by its absence, while Italy is a keen buyer for near hides and tallow, taking very much less interest in forward positions. Tallow and wood-oil are firm and in small supply. The American goatskin market is weak, but tael prices have not weakened in sympathy. Japanese are reported as buying sesamum seed. Supplies of cotton are small and the market in consequence strong and active. Hides would appear to have touched bottom for the present, for wealthy Chinese are investing in this commodity at the prices now ruling; besides which supplies are not large.

Wofram in Burma.

From the report on Burma's output of wolfram and tin in 1916, just published, we note that wolfram and tin are the only minerals in Burma that are worked under two distinct enactments, the Indian Mines Act and the Land Revenue Regulations. Wolfram mines constituted under the Indian Mines Act of 1901 are worked under the scope of that act, and are under the control in regard to supervision and inspection, etc., of the chief Inspector of Mines in India. Other mines not constituted under the provisions of the Indian Mines Act are worked in virtue of licenses granted under the control of the local authorities. It is in-

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structive to read, regarding the output of the wolfram mines under the scope of the Indian Mines Act, that the production in the last five years has increased by over 500 per cent, a rate of expansion which has exceeded the most sanguine expectations. Comparing the production in the last two years with that of the two years preceding the outbreak of the war, the output increased by an average of 22,710 cwts., or about 86 per cent. During 1916 there were 88 mines under the scope of the act. The production from mines and quarries in the Tavoy and Mergui districts which are under 20 feet deep, that is to say from mines which do not come under the scope of the Indian Mines Act, showed an increase, but the output, taking the last four years, is lower. This is not attributed to exhaustion of lode ore, but is "the natural result of prospecting fever of three of four years ago quieting down to a more workmanlike channel. In Tavoy, it is stated a short-sighted policy has hitherto been employed generally in the district, attention being paid

more to the immediate gain to be derived from a large present out-turn than to the ultimate benefit from a thorough knowledge of the extent and relationship of ore bodies. There are now indications that the industry is settling down to normal conditions. In Mergui wolfram was worked successfully for the first time in 1911. The highest increase was in 1916. In the Southern Shan States the output has been on an appreciably increasing scale. The following figures from all sources seem eminently satisfactory:

The total production of wolfram from all sources of Burma amounts to 65,824 cwts in the year under review, as compared with 46,293 cwts in 1915; 43,754 cwts in 1914; 32,091½ cwts in 1913; 32,224½ cwts in 1912 and 25,357 cwts in 1911. These figures exclude the production from the Southern Shan States. There is every indication that there will be a more substantial increase in future years. Up till very recently, large capitalists have held aloof from the industry, but the facility with which certain owners have been able to develop their mines from revenue has attracted attention and several British firms of considerable financial standing now exercise options over certain mines. Wolfram is valuable principally on account of its tungstic acid and has always fetched a high price owing to restricted supplies, the pre-war rate per ton in the European market touching as high as Rs. 1,725. The cost of production including all charges averages about Rs 850 to 875. This figure is capable of considerable reduction, and is high owing to development being greatly handicapped by the lack of communication and difficulties of transport. Hitherto, the greater portion of the wolfram ore produced in Burma was taken up by Germany, but English smelters are now in a position to cope with all supplies of ore coming forward, especially as the great bulk of tungsten is used in Sheffield.—*Penang Gazette*.

Commercial and Financial Notes

The United States is the world's largest sugar consumer. Even with the 10 per cent reduction due to high prices the per capita consumption is 82 pounds a year.

The price of copper at present in America is 23½ gold cents a pound and this price is expected to continue in force until March 31. The production of copper in America in 1917 was 2,362 million pounds.

At a general meeting of the shareholders of the Kobe Pier Company (who recently acquired the Kochien Co. at Shanghai) held January 24, a dividend of altogether 100 per cent. was announced, 20 per cent. representing the ordinary dividend and 80 per cent. a special dividend in commemoration of the 35th anniversary of the Company's establishment.

On Hog Island, near Philadelphia, is being built for the United States Government use the largest shipyard in the world. Ten thousand men are now at work on it. The first keel was laid down last month. There will be fifty ways, side by side, extending over a mile along the Delaware River, where fifty Government ships will be built simultaneously by over 30,000 workmen.

The Japanese Consul at Manila reports to the Foreign Office that since December 27 last all exports from the Philippines, except to the United States, have

become subject to the permission of the Customs authorities. As to licences for the export of the articles included in the list of goods the stocks of which are to be conserved, prospective exporters must apply by telegram to the War Trade Board, Washington, at their own expense. The supply of bunker coal also requires Customs permission.

The Japanese paper at Dairen notes with apparent great glee that a Japanese merchant there, widely known as the donor of Yen 100,000 towards the construction of a public swimming bath, struck up a bargain for half a million gunnybags at Calcutta last year when they had sharply gone up in price to about 25 sen each in consequence of some restrictions having been imposed on the export of same; the market continued to fly up and they are now quoted at double that price, so that this Japanese merchant is "in" for a very handsome profit.

Consul-General Sammons has received a telegram from the State Department to the effect that forms for American income-tax returns for 1917 will be forwarded from Washington as soon as issued. American residents in China are asked to note that in order to avail themselves of the additional 30 days allowed by law they should request such extension by letter to the Collector of Internal Revenue in their home district, such letter to reach the Collector before March 1.

The steamer *China*, of the China Mail Steamship Company, came up to Shanghai and took a berth at the China Merchant's Central Wharf last Saturday, this being the first time that a steamer of this line had come up from Woosung. The event was celebrated by a tiffin on board at which Consul General Sammons presided. The following day, while proceeding down river *en route* for Hongkong, the *China* collided with the steamer *Hsin Kong*, badly crumpling several plates and doing extensive damage to the latter vessel. The *China* was able to proceed, but it was necessary for the *Hsin Kong* to go into dock.

One of the largest business transfers that has ever been made in the Philippines was consummated on the 9th of January, when the Manila Trading and Supply Company purchased the long established business of E. C. McCullough and Company of that city. Under the terms of sale the Manila Trading and Supply Company will take over McCullough's entire stock of stationery and supplies, and with it the well known agencies for the Ford Automobile Company, United States Tire Company, Remington Typewriter Company, Faber Pencil Company, Carters Ink, and the other agencies represented by McCullough and Company. The entire transaction involves approximately Pesos 1,500,000.

The affairs of the oldest Chinese newspaper in Shanghai, the *Shun Pao*, have been aired in the Shanghai Mixed Court during the past several months, the sittings of the Court being presided over by an Italian Assessor, a Japanese Assessor, and a Chinese Magistrate. Matters were brought to a head last Monday when the Italian Assessor rendered a judgment, which the Japanese Assessor refused to agree to. The facts in the case seem to be that two well-to-do Chinese named Tzen and Chen bought this Chinese newspaper in 1914 from the then owner Shih, for the sum of Tls. 120,000. A dispute ensued as to the payment of certain promissory

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notes, which figured as part of the purchase price, the upshot of which was that the seller demanded possession of the newspaper plant on payment of one half of what had already been paid him. The judgment of the Italian Assessor was that Tzen and Chen either had to restore the paper to Shih or pay damages to him in the sum of Tls. 300,000.

The American Consulate General, Shanghai, has received notice to the effect that shippers should refrain from using cotton waste containing seeds in the packing of crockery, porcelain, etc., for shipment from China to the United States, owing to the fact that such material is dangerous because of the possibility of its carrying pink bollworm larvae in the contained cotton seeds. The American authorities feel that unless the practice of packing articles of the above mentioned material in cotton waste containing seeds is discontinued it will be necessary to refuse entry of articles so packed or require their disinfection as a condition of entry. Cotton samples should not be sent in the same packages with other merchandise, but should be packed separately and should be plainly marked "Cotton Samples." The samples should also be listed on the Ship's Manifest as "Cotton Samples" so that upon arrival at the Port of Entry the Inspector of the Board may be advised of their presence in the ship's cargo. Any attempt to enter cotton samples under any other designation than "Cotton," or cotton packed in the same container with other material, may lead to the necessity of revoking permits authorizing the importation of cotton from the foreign shipper failing or refusing to comply with these instructions.

The Share Market.

RUBBERS Official only	Closing Quotations, Week End. Jan 18	Last Quo- tation, Fri. Jan. 25	Business Done in Shares During Week		
			High	Low	Net Chg.
Anglo-Java	8.80	8.80	8.80	8.75	+ .05
Chemor United	1 12½	1.12½	1.12½	1.12½	—
Ching	2.00	2.10	2.10	2.10	—
Karan	12.00	12.00	12.00	12.00	—
Kroewoek	15.25	16.50	16.50	16.25	+ .25
Padang	12.00	12.00	12.00	12.00	—
Samagaga	0.80	0.80	0.80	0.80	—
Semambu	1.10	1.10	1.10	1.10	—
Taiping	1 25	1.25	1.25	1.25	—
Tenah Merah	0.97½	1.00	1.00	1.00	—
Tebong	17.50	17.50	17.50	17.50	—
Ziangbe	5 00	4.75	4.75	4.65	+ .05

BANKS, INDUSTRIALS, INS. COTTONS, LANDS, ETC.

Langkat	14 50	14.50	14½	14½	—
Yangtszepoo (ord) ...	8.00	8.00	8.00	8.00	—
Kung Yik	14.75	14.25	14.25	14.25	—
Laou Kung Mow ...	65.00	72.50	72.50	70.00	+ 0.50
Tram 'B.'	66.00	67.00	67.00	67.00	—
New Eng & S.B. Works	13.75	14.00	14.00	14.00	—
Shanghai Dock ...	71.00	77.00	77.00	77.00	—
Shanghai Land ...	67.00	69.00	69.00	69.00	—

EXCHANGE

Bar Silver	44½	43½	44½	43½	—
T. T. on London ...	44	42½	43½	42½	—
Sov. Bnk. Buy. Rt. ...	4.61	4.75	4.75	4.66	—
Gold \$ Bnk. Buy. Rt. ...	93.68	96.38	96.38	94.56	—
Mexican	72.0	71.9	72.0	71.9	—
Native Int.	02	02	03	02	—

LONDON RUBBER QUOTATIONS

Spot	2/4½	2/4	2/4½	2/4	—
Forward	2/5½	2/5	2/5½	2/5	—
Tendency	Steadier	Flat	Steady	Flat	—

Date	Langkat Oil Output	Tons.
Week ended ...	Jan. 20	432

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China's Foreign Relations

Treaty Obligations between China and Other States,
by M. T. Z. Tyau, L.L. D. Shanghai: Commercial Press.

THE author of this excellent work, which was only issued last year, has since its publication become the editor of *The Peking Leader*, and the weight which his views on matters relating to China carry with foreigners may be judged from the fact that his opinions are telegraphed from Peking by the foreign newspaper correspondents there every few days.

As the author quite rightly states in his Preface the subject of China's treaty obligations "offers wide regions for the patient investigator and in these pages the bare fringe only of this virgin field has been touched." Nevertheless it is doubtful whether so much valuable information on China's foreign relations has ever before been condensed into 280 pages. The author divides his historical sketch of treaty relations into eight periods, the first being the period 1689-1839, the treaties made then being with Russia, that being the first country with which China entered into formal relations. The second period is, by comparison, a very short one (1842-55), but in those 13 years something occurred which entirely changed the position in which China had stood to Foreign Powers up until that time. It was during this period that the British treaties opening up Canton, Foochow, Amoy, Ningpo, and Shanghai to foreign trade were made, these being the forerunners, and to a large extent the models, for all other treaties made by Foreign Powers with China. During the third period (1855-58), treaties were signed at Tientsin with Russia, the United States, Great Britain and France. The fourth period (1859-60) covers the incident of the Taku "misunderstanding", and in the treaty made with France China engaged herself to make indemnification for "all such churches, schools, cemeteries, lands and buildings as were owned on former occasions, by Roman Catholic Christians, but the money is to be handed to the French Representative at Peking for transmission to the missionaries in the localities concerned." During the two decades of the fifth period (1861-81) treaties were entered into between China and all the principal Foreign Powers, among them the United States, the Convention of 1880 regulating Chinese immigration to America. During the sixth period (1884-95) China found itself in the position of signing away four of its dependencies, France taking Annam, Great Britain assuming authority in Burma, Japan taking Formosa and compelling China to recognize Korea's independence. The seventh period (1896-1901) is described by the author as "an era of scrambling for railway and mining concessions and their attendant loans." The most important occurrence during this period was, of course, the Boxer Trouble, which called forth the International Protocol of 1901, an incidental feature of which was that China engaged herself to pay an indemnity of 450,000,000 Haikwan taels, (which is not far short of the same amount in gold dollars, all depending on the price of silver). The eighth period (1902-et seq) has been one of restoration and construction.

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- | | |
|---|--------|
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It is not the purpose of this review to delve into the intricacies of the treaties which China has made with the various Foreign Powers or to explain the ramifications of the various "favored nation" clauses. The student who wishes light on them is referred to Dr. Tyau's book, which summarizes carefully, fairly and accurately, these historic documents, and contains an excellent Note on the bibliography of the subject. The value of the work under review lies in the spirit of the comments with which the dry details of the treaties are explained. What the whole argument of the author leads to is that China's treaties are in many respects obscure, that they are not in accord with the spirit of the times, and that they are in need of revision. Dr. Tyau also makes a plea for the restoration of China's sovereignty. This is to be expected, and doubtless the day for this consummation is nearer than many a foreigner in the Far East has an idea of. But any proposition to abolish Extraterritoriality at the present time is out of the question. However, it is interesting to note the arguments upon which such a proposition is based:

"The conditions contemplated by the negotiators when the present treaties were concluded have in the flight of decades, as we have already said, materially altered. The China contemplated then was an old, decrepit empire, plodding along as best it could, while its vigorous neighbors were forging ahead. It had not long to live and was, perhaps, crawling to its last

resting place. If so, it was no great injury to its *amour propre* to treat it as a child, while ostensibly preserving some semblance of respect for its age. But that was long, long ago. The China of to-day is no longer that of yesterday. Like the awakened sleeper, who wakes up after his long slumber to find that his colleagues have gone far ahead, he is trying his level best to make up for lost time and lost opportunities. Much refreshed and reinvigorated, he is putting forth all his efforts to overtake his companions. The problems he has to solve are complicated and numerous. If so, he deserves every assistance from those who wish him well. Accordingly, for the treaty states to continue to treat such a China which is daily struggling to regain its lost prestige, is to add new insult to old injury. More than that, it is to deny to China the benefit of the *rebus sic stantibus* doctrine, while applying it to their own relations one with another. Such an ungenerous attitude in the international relations of states who are co-members of the Family of Nations is surely inconceivable."

It is *apropos* to note at this juncture that although, in a general way, foreign relations with China have been carried on according to the letter of the treaties, many precedents have been established, particularly in the Foreign Settlements, which go considerably beyond the treaty stipulations. As an example of how, particularly at Shanghai, an able local executive body of foreigners, by which we mean the Shanghai Municipal Council, has been able to assert its influence against rather strenuous Chinese opposition, we may cite the subject of *likin*, which is a native transit tax on practically everything that is moved about from one place to another. Dr. Tyau mentions that in 1863 when the British Consul at Shanghai resisted the attempt of the local Chinese authorities to tax natives residing in the Settlement, this attitude was repudiated by the then British Minister, who among other things said "the Taotai is entitled to levy taxes as he pleases," and this view of the British Minister was approved by the British Government. Dr. Tyau does not carry us any further, and this would leave the impression in the reader's mind that the Chinese local authorities do levy taxes on Chinese living in the Foreign Settlement of Shanghai. But, as we all know, they do not do so, and every attempt, clandestine or otherwise, to impose a tax of a few cents on lime or some other article brought into the Settlement on the numerous creeks, is strenuously fought by the Shanghai Municipal Council.

A very interesting subject is touched by the author on the matter of China having to make compensation whenever foreign lives or property are destroyed by Chinese, and compares this with cases where Chinese abroad have been attacked by mobs, one of the instances cited being that of the Denver, U. S. A., riots, which occurred in 1881, when the Chinese Minister demanded indemnification for losses of property sustained by Chinese subjects. The Washington Government asserted the principle of non-liability; Secretary Evarts stated that he knew "of no principle of national obligation, and certainly there is none arising out of treaty stipulations, which renders it incumbent upon the government of the United States to make indemnity to the Chinese residents of Denver, who...suffered losses from the operations of the mob. Whatever

remedies may be afforded to the citizens of Colorado...are equally open to the Chinese residents of Denver. ...This is all that the principles of international law and the usages of national comity demand."

We will not attempt to give a complete summary of the contents of this most valuable book, but whether the reader is interested in knowing what rights have been attained in China by foreigners, by treaty or by sufferance, either as missionaries, traders or concessionaries, he will find the subject admirably explained and intelligently commented upon. With the general spirit of Dr. Tyau's comments that China is entitled to more liberal treatment at the hands of foreign nations we are in perfect accord. One of the subjects touched upon, for instance, is that of China's Customs Tariff; that is already being dealt with by a conference at present in session at Shanghai. And so, with many other matters, China can confidently look towards a bettering of her position *vis a vis* the world in general. The majority of these subjects will naturally have to lie over until the conclusion of the present world-wide war, but when the Peace Conference eventually takes place China will be accorded a hearing; and in the meantime all of us can do no better than study Dr. Tyau's work so that we may understand the points involved. But we consider it quite *apropos* to mention in conclusion that foreigners in China look forward to the day when their legitimate activities in China will not be subjected to the many pettifogging obstructions which they now have to contend with.

G. W. M.

At the Shanghai Hotels

The following guests have registered at the Astor House Hotel during the week: A. P. Tucker; W. Monroe Jr., Marion; J. McGilora; J. Giacomi, Local; O. C. McGilora, Seattle; Mrs. and Miss S. Wilson; Miss L. Baker; Mr. and Mrs. P. B. Pinhorn, Japan; Miss B. Hood, Japan; Capt. E. Smith, Japan; A. R. Howe, Japan; Mr. and Mrs. G. S. Hall, Japan; Mr. and Mrs. C. Dye, San Francisco; Mrs. G. Picca, Hankow; M. S. Walsh, Hangchow. H. H. Phittrick, Seattle; E. H. Dodge, Local; W. C. Young, Peking; L. W. Thornton, Harbin; H. P. Hansen, Harbin; E. Cook, Tientsin; Miss L. E. Reich, Manila; D. Faulmer, Manila; F. N. Merritt, Nanking; E. M. Geible, Tsinan; W. Knudson, Harbin; H. Christiansen, Vladivostok; Lt. Com. and Mrs. W. P. Williamson; Gilbert; Mr. and Mrs. Albert Lewis, London; S. H. Schener, New York.

The following guests have registered at the Palace Hotel during the week: Mrs. E. Alabaster, Hangchow; M. Y. Sherling; Mrs. McCleary, New York; G. F. Tobler, Philadelphia; H. L. Kratz; Mr. and Mrs. Ranson; A. E. Grant, Nanking; H. Perry; Branedo, Dairen; R. Katz, Dairen; A. Ruthe, Dairen; O. Ruthe, Dairen; E. Ruthe, Dairen; Mr. and Mrs. E. Seymour, Tientsin; S. E. Blake, Tonkin; Mr. and Mrs. Cary, Canton; A. C. Hartsoker, Louis Kohn, New Zealand; S. A. Seth; Zulseman, Hongkong.

The following guests have registered at the Grand Hotel Kaee during the week: Herbert L. Beer, Weihaiwei; L. H. Steward; Mrs. J. G. Steward; Mrs. Cotter, Hankow; Mrs. A. M. Pryce and three children; E. D. Gamble; G. A. Thomson; Mrs. Margaret E. Beer, Weihaiwei; J. Willoughton, Tokyo; Mrs. L. Hanson and Child, Woosung; Mr. C. R. Hanson; T. Isaac, Tsingtao.



In the United States Court for China

United States of America
vs.
Pablo Sonico
.....

Cause No. 607
Criminal No. 180
SENTENCE
Filed January 19, 1918.

SYLLABUS

1. EVIDENCE. A proposed or disputed rule of evidence whose design is to avoid misleading the jury, will not be adopted in this jurisdiction where all trials are by the court.

2.—This principle applied to an attempted limitation upon the rule in criminal cases which admits in evidence acts and statements in the accused's presence.

3.—*The record of an inquest* upon the body of a deceased formally held in accordance with the laws of the jurisdiction, is admissible and entitled to be considered especially where no objection is offered.

4.—*The flight of the accused*, immediately after the crime, the *corpus delicti* having been proved, may be considered as an inculpatory circumstance.

5.—*Identification* of the accused, shortly after the crime, by three disinterested persons acting independently, held sufficient.

6.—*U. S. v. Martin*, No. 487, distinguished.

7.—*Causation*. Where the deceased, a young man employed at hard labor, collapsed shortly after he was stabbed, and died a few minutes later, and no intervening cause is shown, a physician's opinion, following a finding at the inquest, that death resulted from the wound, held sufficient proof of causation.

8. MANSLAUGHTER defined and found to have been committed but with extenuating circumstances.

Chauncey P. Holcomb, Esq., U. S. District Attorney, for the prosecution.

M. L. Heen, Esq., for the defense.

LOBINGER, J.:

The accused is charged with

"the CRIME of MANSLAUGHTER: in that the said PABLO SONICO, within the jurisdiction of said Court, at Shanghai, China, did on or about the twenty first day of August, Nineteen Hundred and seventeen, cause the death of a human being, one LOH YUEN ZHEN, a citizen of the Republic of China, by striking him with a knife and inflicting a mortal wound, from which wound the said LOH YUEN ZHEN languished and died."

On the evening in question four Filipinos, including the accused, who were employed on the steamship Don Neil, went ashore and stopped at a Chinese fruit store (No. 1032 Yangtsepoo Road) where they bought some apples. The accused endeavored to pay for them with a twenty cent piece which the storekeeper pronounced bad and a quarrel ensued, whereupon the storekeeper called a Sikh policeman who started to take all the participants to the police station. Upon arriving at Jansen Road the Filipino resisted and three of them, including the accused, became engaged in a fight with some Chinese, in the course of which a Filipino stabbed a Chinese who toppled over, became unconscious and was taken to St. Luke's Hospital where he died before medical attendance reached him.

The foregoing are undisputed but the defense raises two questions of fact, viz. (1) the identity of the assailant and (2) the sufficiency of the wound to cause death. We shall consider the latter first.

The prosecution offered in evidence the record (Ex. A) of an inquest held over the deceased's body by the Chinese Mixed Court Magistrate and American Assessor who found that the "death was caused by the wound." At the time of this offer defendant's counsel said (trans. p. 56):

"I will admit the authenticity of the record (Exhibit A)" subject to objection on my part. ***I object to the typewritten matter which accompanies the finding at the inquest. I admit the finding."

Later counsel said (p. 81):

"I move this Honorable Court to strike from the record and files in this case the record which has been admitted 'Exhibit A', my motion being based on the additional testimony of the witness."

The witness here referred to was the Assessor who sat at the inquest and whose testimony related to the character of that proceeding and showed incidentally that the accused was present.

The naked legal question whether the record of a coroner's inquest is admissible in another cause is one upon which the courts are divided. In England and several American jurisdictions the record is admitted and considered, tho it is, of course, not conclusive as to the cause of death.¹ In

1. *England*. *Sergeson v. Sealey*, 2 Atk. 412; *Starkie, Ev.* (10th Ed.) 406

California. *Walther v. Ins. Co.*, 65 Cal. 417, 4 Pac. 413.

Illinois. *Grand Lodge v. Wisting*, 168 Ill. 408; 48 N. E. 59;

Pyle v. Pyle, 158 Ill. 289, 41 N. E. 999; *U. S. L. Ins.*

Co. v. Vocke. (Kielgast) 129 Ill. 557, 22 N. E. 467, 6

L. R. A. 65.

Iowa. *Metzradt v. Modern Brotherhood*, 112 Ia. 522, 84

N. W. 498.

Mississippi. *Supreme Lodge v. Fletcher*, 78 Miss. 377, 29 So.

523.

another group of American courts such a record is excluded.² These latter tribunals, however, formulate rules for jury trials and naturally seek to guard against unwarranted inferences which a jury might draw from a coroner's inquest. But in this jurisdiction, where all trials are by the court, no such need arises. A liberal rule which permits the court to consider such evidence for what it may be worth may safely, and we think should, be adopted here. Especially in a case like this where the record in question was once formally admitted without objection and where the motion to strike was made only after the introduction of new evidence, which in our judgment changes the situation in no way, we have no hesitancy in over-ruling the motion.

The finding which was thus admitted was that death was "caused by a wound with a knife inflicted in the course of a fight" etc., referring to the affair above mentioned. But it is not the only evidence to that effect. Dr. Tucker, who was called to attend the deceased at the hospital testified (p. 88) in response to the question as to what, in his opinion, caused the death.

"My opinion is, a stab wound probably of the heart but possibly of the liver."

It is true that the physician made no post-mortem examination; but, while this is advisable, as recommended by high authority,³ we find no warrant for rejecting the opinion on that ground. Moreover the occurrences when the wound was inflicted, tho apparently unknown to the physician, clearly strengthen his opinion. The Sikh policeman who arrested the Filipinos, testifies (pp. 33-34) that the deceased backed into his arms after receiving the wound, and later became unconscious. Mr. Hilborne, who took the deceased to the hospital in his car, testifies (p. 92)

"I saw blood oozing from his chest; I knew it was in a dangerous condition."

Upon being asked his reasons for so concluding he said (p. 93)

"Seeing the blood oozing from his heart; the man tried to speak and he couldn't, and knowing the closeness of the wound to the region of the heart and the constant flow of blood when it was coming out. * * * Shortly after I put him in the motor car he collapsed."

Now the deceased, according to the statement of his father at the inquest, was a boy of 18 and was employed as a coolie in a cotton mill. We cannot assume without evidence that one of that age and occupation died from some organic cause other than the wound which produced such a flow of blood and so soon after which the victim collapsed and died. We must therefore find the proof sufficient to show that death resulted from the wound.

II

After the stabbing the accused broke away and fled to the ship. Sergeant Knight of the Police force went there accompanied by a Filipino who had been brought to the station and who is identified (p. 44) as Simon Antong.

Sergeant Knight testifies:

"I asked him who was the tall man who used the knife, and he pointed to the accused." (p. 48)

"Q. In what way?"

A. As the man who used the knife who stabbed the Chinese on Jansen Road." (p. 43)

Whereupon the witness arrested the accused.

Defendant's counsel contends that this cannot be given full probative force because it is hearsay. But an exception has always been made of acts or statements in the accused's presence. Thus in the report⁴ of the Trial of Elizabeth Canning for Perjury (1754) appears the following:

"I said to Canning, 'Now look for the woman that robbed you;'" she immediately pointed to Mary Squires and said, 'That old woman in the corner was the woman that robbed me.' . . . Somebody said (I think it was Mary Squires's daughter), 'Do you hear what the gentlewoman says? she says you robbed her.' The old woman got up from the stool immediately, and said *Mr. Morton*. I object against that being mentioned; it is no evidence. COURT. He may give an account of what was said in the defendant's hearing and presence."

In a prosecution for horse stealing testimony that one in a group, which included the accused, had remarked that he would like to get hold of the horses in question was admitted over objection. In affirming the conviction the appellate court said:

"We do not think this testimony was irrelevant or prejudicial if defendant was present when the statement was made, or if he made the same, but think it extremely pertinent and proper testimony, regardless of whether or not there had been a conspiracy proven. The bill [of exceptions] does not show that defendant did not hear the statement, nor does it show he did not make it. In either event, the testimony would be admissible."⁵

2. *Colorado*. *Germania Ins. Co. v. Ross-Lewin*, 24 Col. 43, 51 Pac. 488.

Indiana. *Union Central Ins. Co. v. Hollowell*, Ind. App., 43 N. E. 277.

Maryland. *State v. Comr's.*, 54 Md. 426.

Michigan. *Wasey v. Ins. Co.*, 126 Mich. 119, 85 N. W. 459.

Oregon. *Cox v. Royal Tribe*, 42 Or. 365, 71 Pac. 73.

Pennsylvania. *In re Ralston*, 9 Pa. Dist. Ct. 514.

3. *Wharton & Stille*, *Medical Jurisprudence* III, p. 188, par. 219.

4. 19 How. St. Tr. 383, 406.

5. *Shackleford v. State*, Tex: Crim. App. 53 S. W. 884.

Defendant's counsel cites a textwriter's opinion⁶ that such evidence is "only introductory and for the purpose of introducing and explaining A's (the accused's) conduct and behavior when the charge was made and his answer upon the occasion." But aside from the fact that no cases are cited for this limitation and that it does not appear in those above cited, it cannot be applied here because there is no evidence as to what defendant's "conduct and behaviour" were when he "was pointed out as * * the man who stabbed the Chinese," nor that he made any "answer." Now defendant, tho: testifying in his own behalf, does not deny that he was so "pointed out." Indeed he admits (p. 78) that Simon, the Filipino, was with "the policeman" (Sergeant Knight) who came to the ship and that the latter pointed him out as "guilty" (p. 73) and the accused does not claim that he denied the imputation or said anything.

We are of the opinion, therefore, that this evidence of identification must be applied as in the cases above cited and that any extension of the hearsay rule (which again is mainly to guard against misleading the jury) not warranted by the decisions ought not to be made in this jurisdiction where all trials are by the court.

Defendant's counsel assails the reliability of Simon's identification on the ground that he was struggling with the Sikh policeman when the stabbing occurred and that the latter failed to recognize the assailant, whom he identified, however, (pp. 39, 40) as one of the three Filipinos. Now these were Simon's companions and it would not seem strange if he were better able than the Sikh to differentiate the one who held the knife and stabbed the deceased. Nor does it follow that because the latter did not see the stabbing Simon could not. His failure to mention it or his identification at the preliminary investigation, eight days later and in his deposition, taken fifteen days later, might well be explained on the ground that sufficient time had then elapsed for the boys to agree upon a different story; which may also have been the reason why they were not called by the government. At any rate Simon's undisputed identification at the ship, immediately after the stabbing, seems to us more trustworthy than a story told one or two weeks later.

After defendant's identification and arrest on shipboard he was taken to the police station and there placed in a room with the other Filipinos. The storekeeper who had sold him the fruit was then called and asked to indicate the one who stabbed the deceased. He, too, pointed to the accused as did, likewise, a cotton mill coolie (pp. 50, 51). Both of these men testified at the trial that they saw the accused stab the deceased. (pp. 4, 25)

Counsel devotes more than half of his argument to a criticism of the storekeeper's testimony. His analysis of the latter is keen and searching but fails to convince us that the storekeeper was romancing when he testified that he saw the stabbing. The discrepancies real or alleged in his different statements mainly involve points of minor importance and might in part be accounted for by the difficulties of translation and in part by the lapse of nearly five months between the preliminary examination and the trial. It is not claimed, however, that there is any discrepancy in various descriptions of the actual stabbing occurrence. No amount of cross-examination sufficed to shake the storekeeper's positive statements on that point.

We do not find that a fair construction of what this witness says requires us to assume either that his view was obstructed by telegraph poles and trees nor that his attention was distracted by the arrest of Simon, which would be less important to him than the stabbing. He had one great advantage, too, in recognizing the accused; he had seen and talked with him face to face earlier in the evening. Counsel suggests the difference over payment for the fruit as a cause of bias against the accused. But if so it was one which must have operated similarly against his companions, for all had bought the fruit and the others had failed to pay. There seems to be no sufficient reason why the storekeeper should select one more than another. But that he should recognize the accused was perfectly natural, especially as the latter is "a tall Filipino" distinguishable in that way from his companions. (Pre. Ex. p. 14)

The latter circumstance would also naturally aid the other Chinese witness in his identification of the accused. He is a coolie, of course, and acutely trained powers of observation cannot be expected of him. He is unable to recall some of the surrounding circumstances; but the sight of the knife and the stabbing would certainly make an impression. Nor is there any suggestion of interest on the part of this witness. He did not even volunteer but was called by the detectives against the wish of his brother, (p. 29.) Moreover all attempts to show collusion or even communication (p. 39) between the two Chinese witnesses failed. So far as appears they were not previously acquainted.

Counsel says:

"It is improbable that the accused had a knife at the time of the stabbing for if he had one he would have used it instead of the fruit-dealer's knife when peeling his apple at the fruit shop."

Now the only witness besides the accused himself who refers to such a knife is Gregorio Gaisting and he testified on direct examination (Dep. p. 3) in reply to the

"Q. Tell us who used the knife?"

A. I alone myself, in peeling the apples."

On cross examination, indeed he says (p. 12) "each of us used the same knife". But if were to apply to this witness the strictures which counsel would have us apply to the Chinese witnesses we would have to reject his testimony altogether.

Assuming, however, that there was such a knife we do not think that it necessarily follows that the accused would have used his own instead. If the knife was passed around from one to the other it would seem quite natural for the accused to have used it along with the rest.

6. Starkie, Evidence, quoted in Thayer's Cases (2nd Ed.) 115.

Counsel also considers that

"One evidence which seems to point strongly to the innocence of the accused is that he arrived at the ship ahead of Gregorio and Ramon thus indicating there was no delay in making his escape."

But flight is usually treated⁷ as a mark of guilt, not innocence, and the more rapid the flight the stronger the mark.

The decision⁸ of this Court invoked by counsel on the question of identification bears little resemblance to the case at bar. There the accused, an American sailor among many similarly dressed, was identified, sometime after the affair, by the complaining witness only, who was to some extent an interested witness; while there were others present and certain contrary circumstances left unexplained. Here the identification was by three persons, on the same evening when the crime was committed none of whom can fairly be called interested, one of whom was of the accused's own race, and each of whom was independent of, and disconnected from, the others. To reject such an identification would be to discourage needed prosecutions and to render convictions well nigh impossible and we feel satisfied that it should be upheld as sufficient.

But the same testimony which identifies the accused as the assailant also shows (p. 4) that his blow was aimed at another and that he did not intend to stab the deceased. This brings the facts within the limits of the offense charged, which is thus defined in a leading case:

"Manslaughter is the unlawful killing of another without malice; and may be either voluntary, as when the act is committed with a real design and purpose to kill, but through the violence of sudden passion, occasioned by some great provocation, which in tenderness for the frailty of human nature the law considers sufficient to palliate the criminality of the offense; or involuntary, as when the death of another is caused by some unlawful act, not accompanied by any intention to take life."⁹

The Act of Congress of March 3, 1899 provides

"That whoever unlawfully kills another, except as provided in the last three sections, is guilty of manslaughter, and shall be imprisoned in the penitentiary not more than twenty nor less than one year."¹⁰

The Act of March 3, 1901 contains the following:

"Whoever commits manslaughter shall be punished by a fine not exceeding one thousand dollars, or by imprisonment not exceeding fifteen years, or by both such fine and imprisonment."¹¹

The Federal Penal Code, enacted in 1909 provides

"Every person guilty of voluntary manslaughter shall be imprisoned not more than ten years. Every person guilty of involuntary manslaughter shall be imprisoned not more than three years, or fined not exceeding one thousand dollars, or both."¹²

Here it will be seen is a progressive reduction of the maximum with the disappearance of the minimum. In view of the fact that the offense was committed in the midst of an affray in which, altho self-defense is not urged, as that would be inconsistent with his plea, the accused evidently had reason to fear for his personal safety, we feel that a penalty much below the maximum should be applied.

The accused is accordingly sentenced to imprisonment for one year and six months and to pay the costs of this prosecution; the said term to run from his incarceration on August 21, 1917 and to continue in the Prison for American convicts at Shanghai, until he can be transported to Bilibid Prison, Manila, territory of the Philippines, where the balance of said term shall be served.

By The Court,

CHARLES S. LOBINGIER
Judge.

7. *Alabama*. Carden v. State, 84 Ala. 417, 4 So. 823; Murrell v. State, 46 Ala. 89, 7 Am. Rep. 592.

California. People v. Fine, 77 Cal. 147, 19 Pac. 269.

Indiana. Anderson v. State, 104 Ind. 467, 4 N. E. 63.

Iowa. State v. Poe, 123 Ia. 118, 98 N. W. 587, 101 Am. St. Rep. 307; State v. Stevens, 67 Ia., 557, 25 N. W. 777.

Massachusetts. Com. v. Brigham, 147 Mass. 415, 18 N. E. 167.

Missouri. State v. Brooks, 92 Mo. 542, 5 S. W. 257.

Texas. Thorp v. State, 59 Tex. Crim. 517, 129 S. W. 607, 29 L. R. A. (N. S.) 421; Williams v. State, 43 Tex. 182, 23 Am. Rep. 590; Williams v. State, 22 Tex. App. 497, 4 S. W. 64.

8. U. S. v. Martin, No. 487.

9. Shaw C. J. in Commonwealth v. Webster, 5 Cush. (Mass.) 295, 52 Am. Dec., 711

10. 30 U. S. Stats. at Large, Ch. 429, sec. 6; Alaska Compiled Laws, sec. 1886.

11. 31 U. S. Stats. at Large, Ch. 854, sec. 802; District of Columbia Code, sec. 802.

12. Sec. 275.

